

This is not a fishing boat.
It's a gold mine.

Investor Update
3rd quarter 2014

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although SpareBank 1 SR-Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for SpareBank 1 SR-Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that SpareBank 1 SR-Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

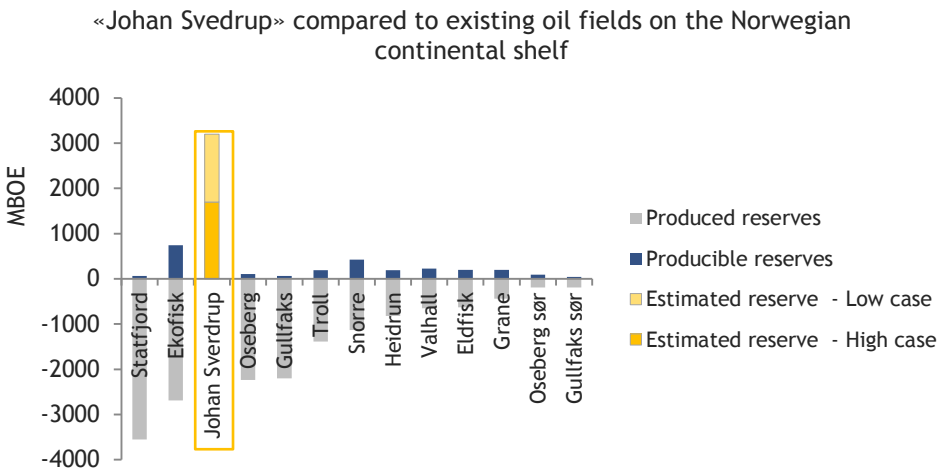
A unique situation with a continuing budget surplus...



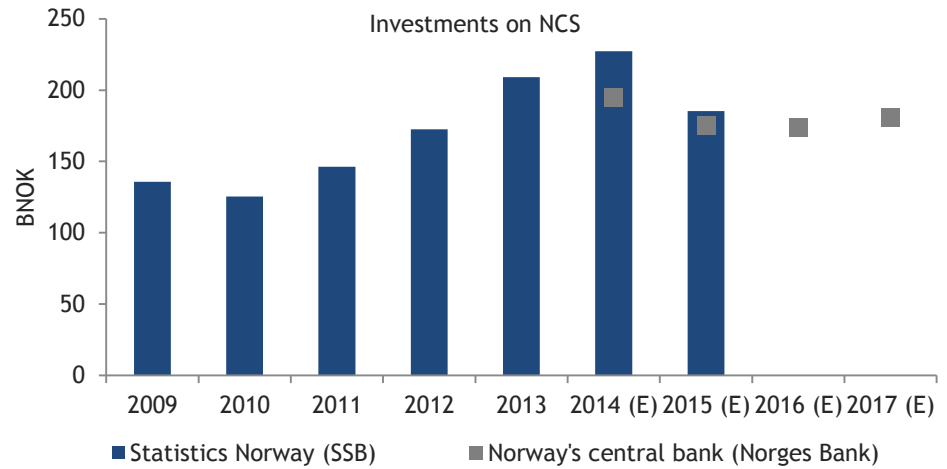
Economic Indicators (%)	2010	2011	2012	2013	2014P	2015P
GDP growth - mainland	1.7	2.6	3.4	2.0	1.9	2.4
Household consumption growth	3.8	2.6	3.0	2.1	2.1	3.4
Investment growth - mainland*	-4.5	6.3	4.5	4.7	0.9	2.5
Investment growth oil & gas	-9.5	11.3	14.6	18.0	2.5	-0.7
Inflation rate, CPI	2.5	1.2	0.8	2.1	2.3	1.6
3 month NIBOR rate / avg. mortgage rate	2.5/3.4	2.9/3.6	2.2/3.9	1.8/4.0	1.7/4.1	1.7/4.0
Household savings ratio	5.8	7.8	8.6	9	9.6	9.7
Unemployment rate	3.6	3.3	3.2	3.5	3.7	3.9
HH sector disp. real inc. growth	2.7	4.6	3.2	3.2	2.6	3.5
Current Account Surplus / GDP	11.9	13.5	14.3	10.6	10.9	9.2
Gov Budget Surplus / GDP	7	10	10	8	6	n.a.
Sovereign Wealth Fund / GDP	121	120	131	157	166	172

One of Norway's most prosperous regions

The third largest discovery ever on the NCS was made 140 km from our headquarter in 2011

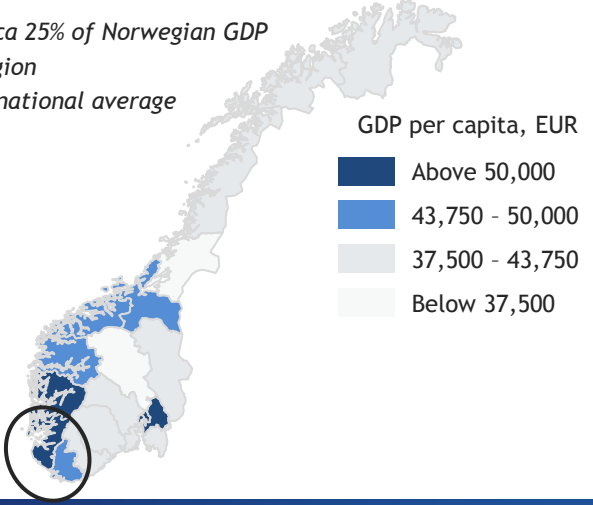


...and activity is expected to continue at high levels



The region accounts for circa 25% of Norwegian GDP

- The region accounts for circa 25% of Norwegian GDP
- Norway's largest export region
- Unemployment rate under national average



Planned infrastructure project total 100-150BNOK

- Better infrastructure in the cities Stavanger and Bergen
- Better connections between cities and sparsely populated areas
- Better connections between regions in Rogaland, Hordaland and Agder



SR-Bank's market area

48 branch offices in one of Norway's most prosperous regions

1 Rogaland

Population	452,000
Market share	37%
Year of establishment	1839
Market strategy	Market leader
Important business segments	Oil & Gas, Oil service, Supply
Unemployment rate	2.0%

2 Hordaland

Population	498,000
Market share	6%
Year of establishment	2006
Market strategy	Entry/growth
Important business segments	Shipping, Oil & Gas, Tourism
Unemployment rate	2.4%

3 Agder

Population	289,000
Market share	9%
Year of establishment	2002
Market strategy	Growth
Important business segments	Commodities, Oil Service, Industry
Unemployment rate	3.05%



The SpareBank 1 Alliance - 2nd largest mortgage lender in Norway

Founded in 1996 based on efficiency and local market focus

Purpose

Ensure the independence and regional foothold of the individual member banks by maximizing their:

- *Competitiveness*
- *Profitability*
- *Capital strength*

Cornerstones	Efficiency	Local Market Focus
	Increase efficiency compared to competitors by: <ul style="list-style-type: none"> - <i>Economies of scale</i> - <i>Mutually increasing critical core competencies</i> - <i>Sharing development investments</i> 	Each bank continues to maintain its link with its local community by: <ul style="list-style-type: none"> - <i>Keeping its own name and legal identity</i> - <i>Taking advantage of its proximity to the local market</i>

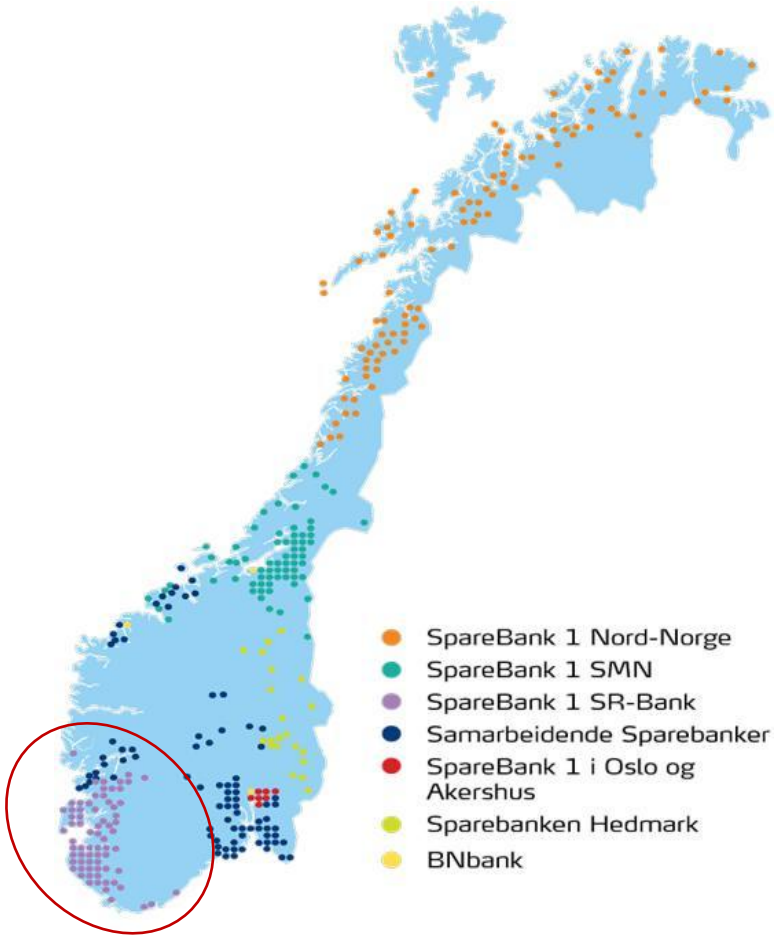


ALLIANCE PROGRAMME



**SEPARATE LEGAL IDENTITIES
COMMON SUPERBRAND**

Geographic overview



- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- SpareBank 1 SR-Bank
- Samarbeidende Sparebanker
- SpareBank 1 i Oslo og Akershus
- Sparebanken Hedmark
- BNbank

SRBANK's activities



Divisions of SpareBank 1 SR-Bank ASA

<p>Capital Markets</p> <p>Number of man-years: 33</p>	<p>Retail Market</p> <p>Number of man-years : 457</p>	<p>Corporate Market</p> <p>Number of man-years : 160</p>	<p>Administration & Support</p> <p>Number of man-years : 211</p>
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Fully owned companies

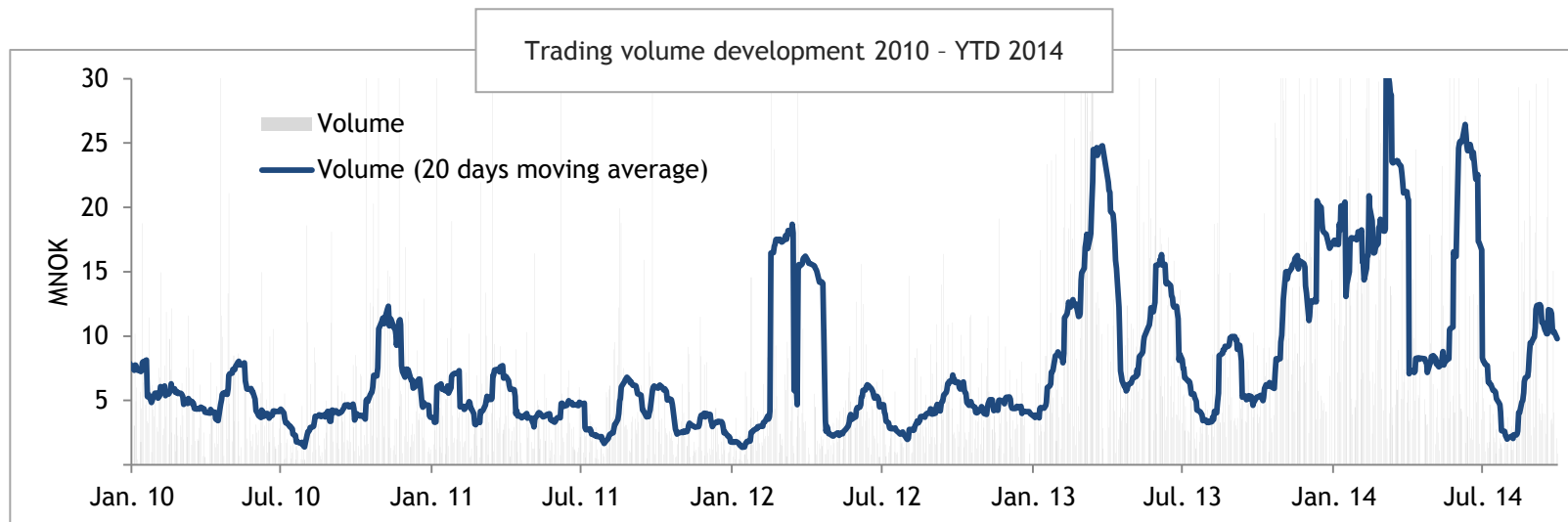
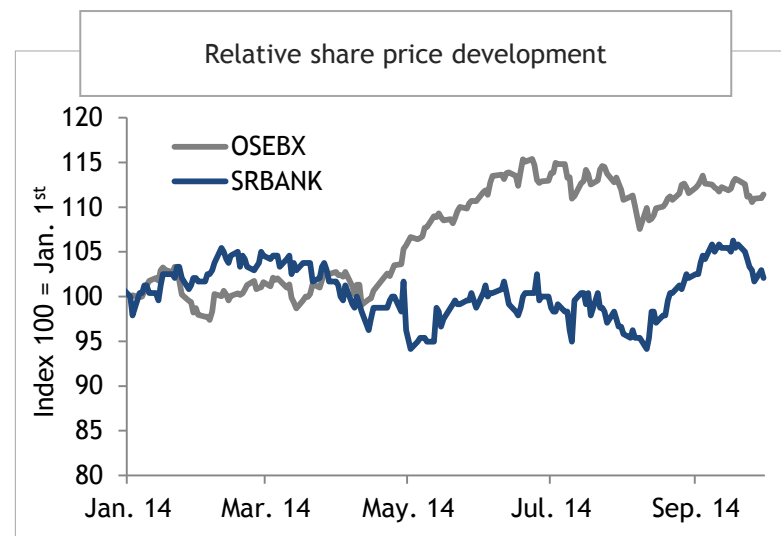
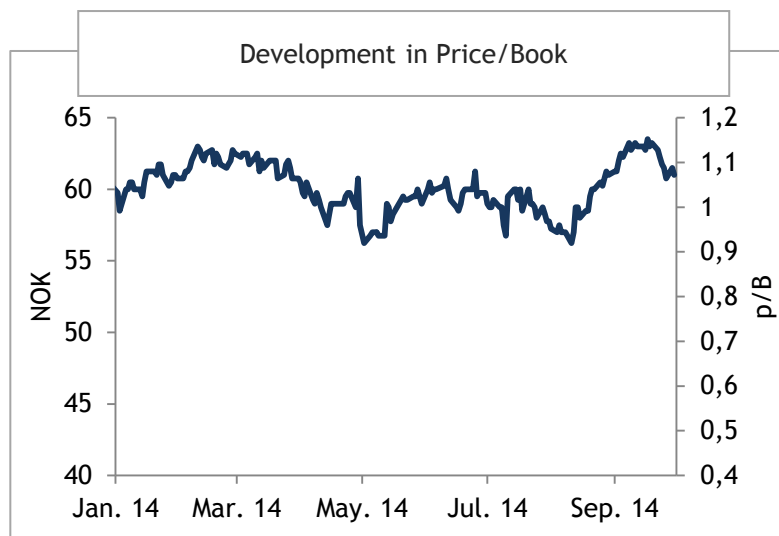
<p>EiendomsMegler 1</p> <p>Number of man-years : 212</p> <p>Key areas:</p> <ul style="list-style-type: none"> • Leading real estate broker 	<p>SpareBank SR-FORVALTNING 1</p> <p>Number of man-years : 13</p> <p>Key area:</p> <ul style="list-style-type: none"> • Asset management 	<p>SpareBank SR-FINANS 1</p> <p>Number of man-years : 31</p> <p>Key area:</p> <ul style="list-style-type: none"> • Lease finance
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Partly owned companies

<p>SpareBank 1 Gruppen AS (19.5 %)</p> <ul style="list-style-type: none"> • Holding company for the SpareBank 1 - Alliance 	<p>BN Bank ASA (23.5 %)</p> <ul style="list-style-type: none"> • Commercial bank located in Oslo and Trondheim 	<p>SpareBank 1 Boligkreditt AS (20.4 %)</p> <ul style="list-style-type: none"> • Covered bond company (mortgages) 	<p>SpareBank 1 Næringskreditt AS (26.8 %)</p> <ul style="list-style-type: none"> • Covered bond company (commercial real estate) 	<p>SpareBank 1 Kredittkort (17.9 %)</p> <ul style="list-style-type: none"> • Credit card company located in Trondheim
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Increased international interest in SRBANK

- *Converted from equity certificates to shares in 2012.*
- *«Top-20» company based on market cap of domestic listed companies.*
- *Total market value at the end of 3rd quarter 2014 is NOK 15,6 million.*
- *International ownership increased from 14.1% at the end of 2013 to 23.1% at the end of 3rd quarter 2014.*



20 largest shareholders as at September 2014

- *International ownership increased from 14.1% at the end of 2013 to 23.1% at the end of 3rd quarter 2014*

Investor		Number	Stake
Sparebankstiftelsen SR-Bank		72.419.305	28,3%
Gjensidige Forsikring ASA		26.483.470	10,4%
Folketrygdfondet		9.895.706	3,9%
State Street Bank and Trust, U.S.A.	Nominee	8.816.417	3,4%
Morgan Stanley & Co, U.S.A.	Nominee	8.506.481	3,3%
SpareBank 1-stiftinga Kvinnherad		6.226.583	2,4%
Wimoh Invest AS		4.761.169	1,9%
Skagen Global		3.820.039	1,5%
Skandinaviska Enskilda Banken, Sverige	Nominee	3.794.099	1,5%
State Street Bank and Trust, U.S.A.	Nominee	2.829.076	1,1%
The Bank of New York Mellon, U.S.A.	Nominee	2.629.419	1,0%
Morgan Stanley & Co, U.S.A.		2.173.721	0,8%
J.P. Morgan Chase Bank, Sverige	Nominee	2.144.697	0,8%
Clipper AS		2.100.000	0,8%
J.P. Morgan Chase Bank, U.K.	Nominee	2.083.137	0,8%
State Street Bank and Trust, U.S.A.	Nominee	1.623.458	0,6%
J.P. Morgan Chase Bank, U.K.	Nominee	1.396.198	0,5%
FLPS, U.S.A.		1.339.700	0,5%
Westco AS		1.321.817	0,5%
Skagen Global II		1.223.751	0,5%
Top 5		126.121.379	49,3%
Top 10		147.552.345	57,7%
Top 20		165.588.243	64,7%

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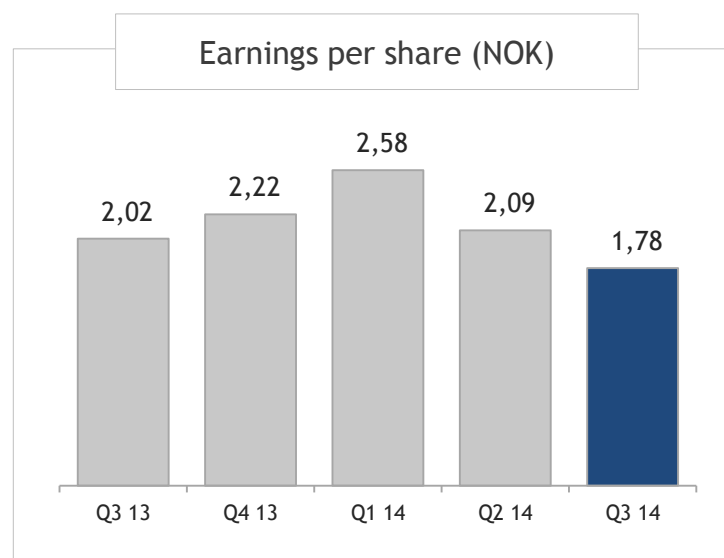
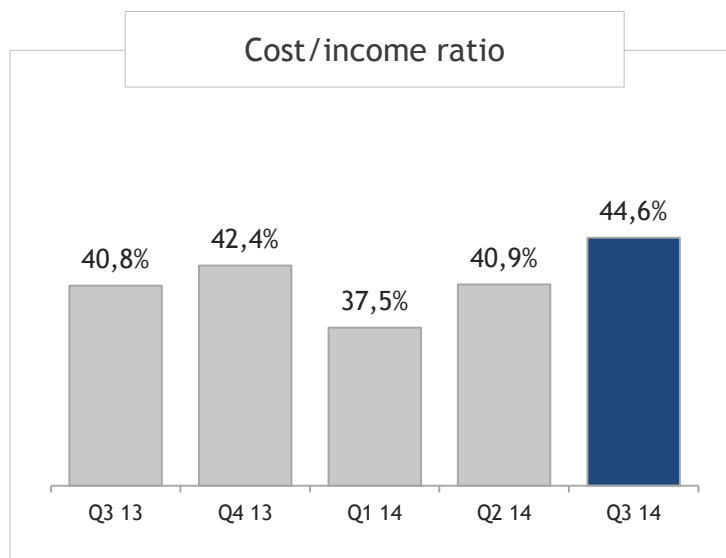
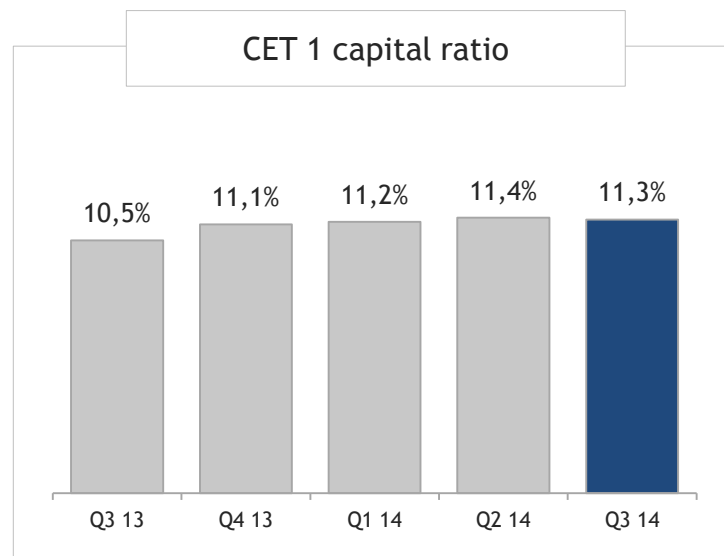
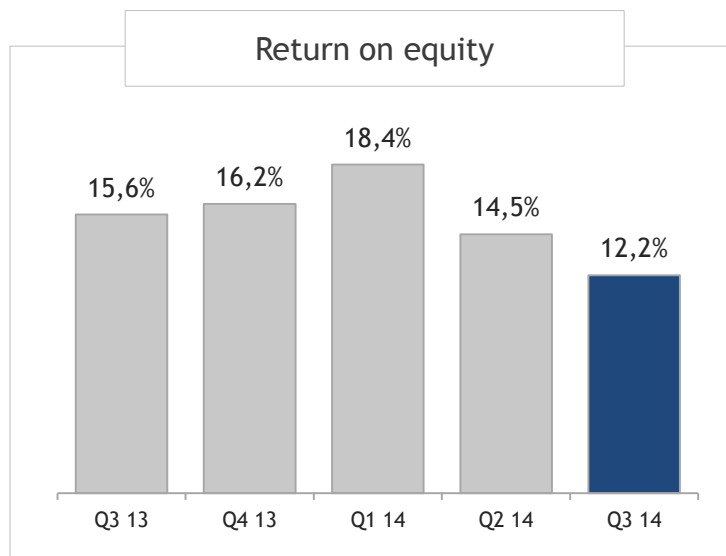
Solvency and liquidity position

Appendix

A good result and a stable continuous growth

- Pre-tax profit for 3Q is NOK 577 million compared to NOK 661 million last year
 - Return on equity after tax 12.2% (15.6%)
- Pre-tax profit year-to-date increased to NOK 2.048 million from NOK 1.673 million last year
 - Return on equity after tax 15.0% (13.2%)
- 12 months lending growth of 3.5%
- 12 months deposits growth of 14.9%
 - In addition growth of 16% in other capital under management in the last 12 months
- The net interest margin increased by 3 basis points to 1.43% in the last 12 months
- Solid underlying operations and high efficiency in the last 12 months
 - Net operating income, less income from financial investments increased by 6,8%
 - Cost/income ratio of 40.8%
- Still moderate impairment losses on loans
 - 0.17% of gross lending recognised on the balance sheet as at 30 September 2014
- Common equity tier 1 capital ratio¹ increased to 11.3% from 10.5% last year

Key figures - quarterly development



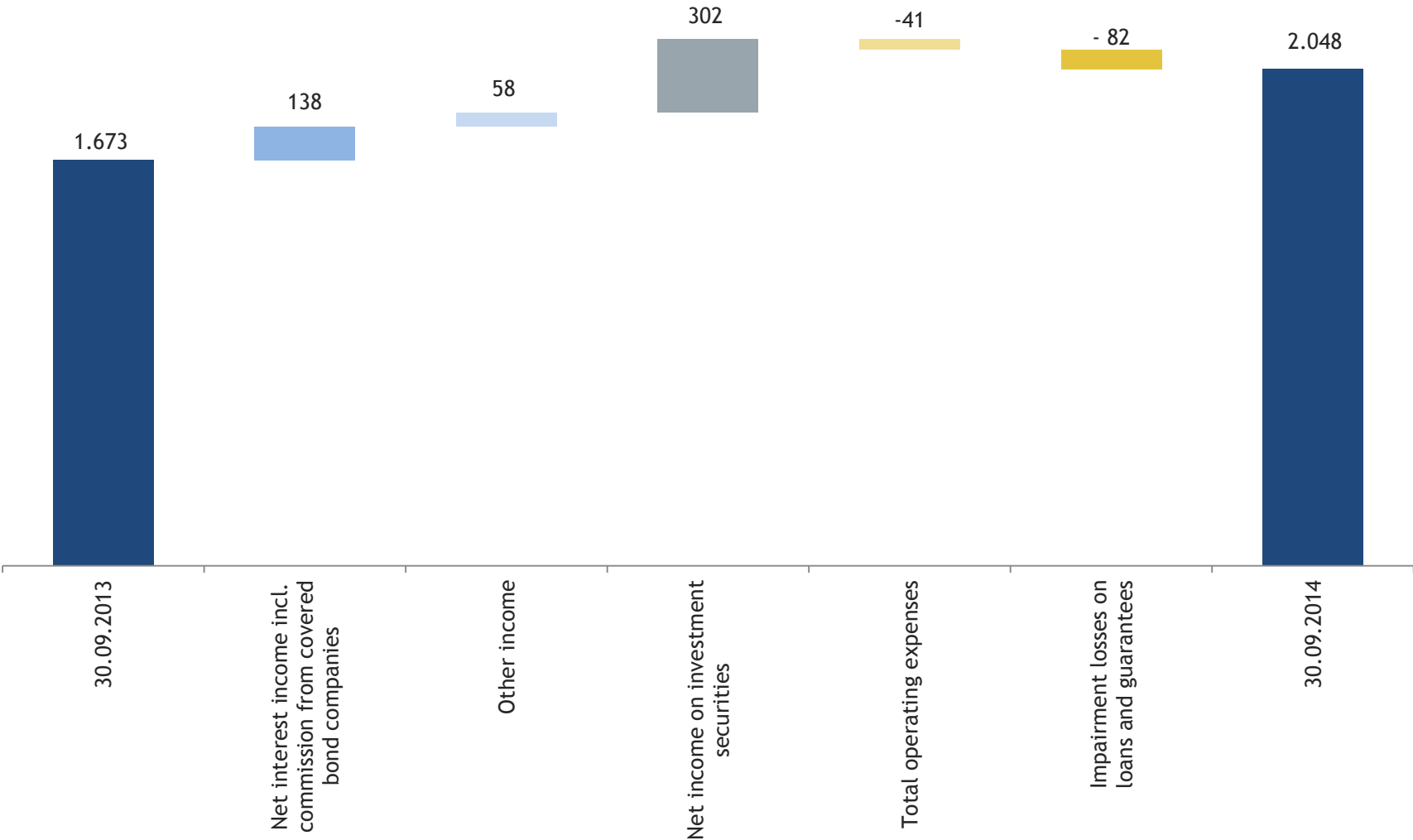
Key figures

	30.09 14	30.09 13	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Return on equity after tax (%)	15,0	13,2	12,2	14,5	18,4	16,2	15,6
Net interest margin (%)	1,43	1,40	1,48	1,41	1,40	1,46	1,49
Impairment losses on loans and guarantees in % of gross loans	0,17	0,10	0,20	0,13	0,18	0,17	0,11
<i>-incl. covered bond companies</i>	0,13	0,07	0,16	0,10	0,13	0,12	0,08
Non-performing and other problem commitments in % of gross loans	0,77	1,09	0,77	0,81	0,90	1,06	1,09
<i>-incl. covered bond companies</i>	0,62	0,77	0,62	0,65	0,66	0,76	0,77
Cost to income ratio	40,8	45,8	44,6	40,9	37,5	42,4	40,8
Annual growth in loans to customers, gross incl. covered bond companies	3,5	5,5	3,5	3,6	3,8	5,3	5,5
Annual growth in deposits from customers (%)	14,9	2,2	14,9	11,5	8,5	6,0	2,2
Total assets (BNOK)	168,3	153,6	168,3	167,3	157,8	157,0	153,6
Portfolio of loans in covered bond companies (BNOK)	32,9	47,8	32,9	33,3	44,9	46,4	47,8
Risk weighted assets (BNOK)	117,3	115,0	117,3	113,7	113,4	113,1	115,0
Earnings per share (NOK)	6,45	5,06	1,78	2,09	2,58	2,22	2,02
Book value per share (NOK)	59,21	52,87	59,21	57,63	57,45	55,00	52,87
Number of shares issued (million)	255,8	255,8	255,8	255,8	255,8	255,8	255,8

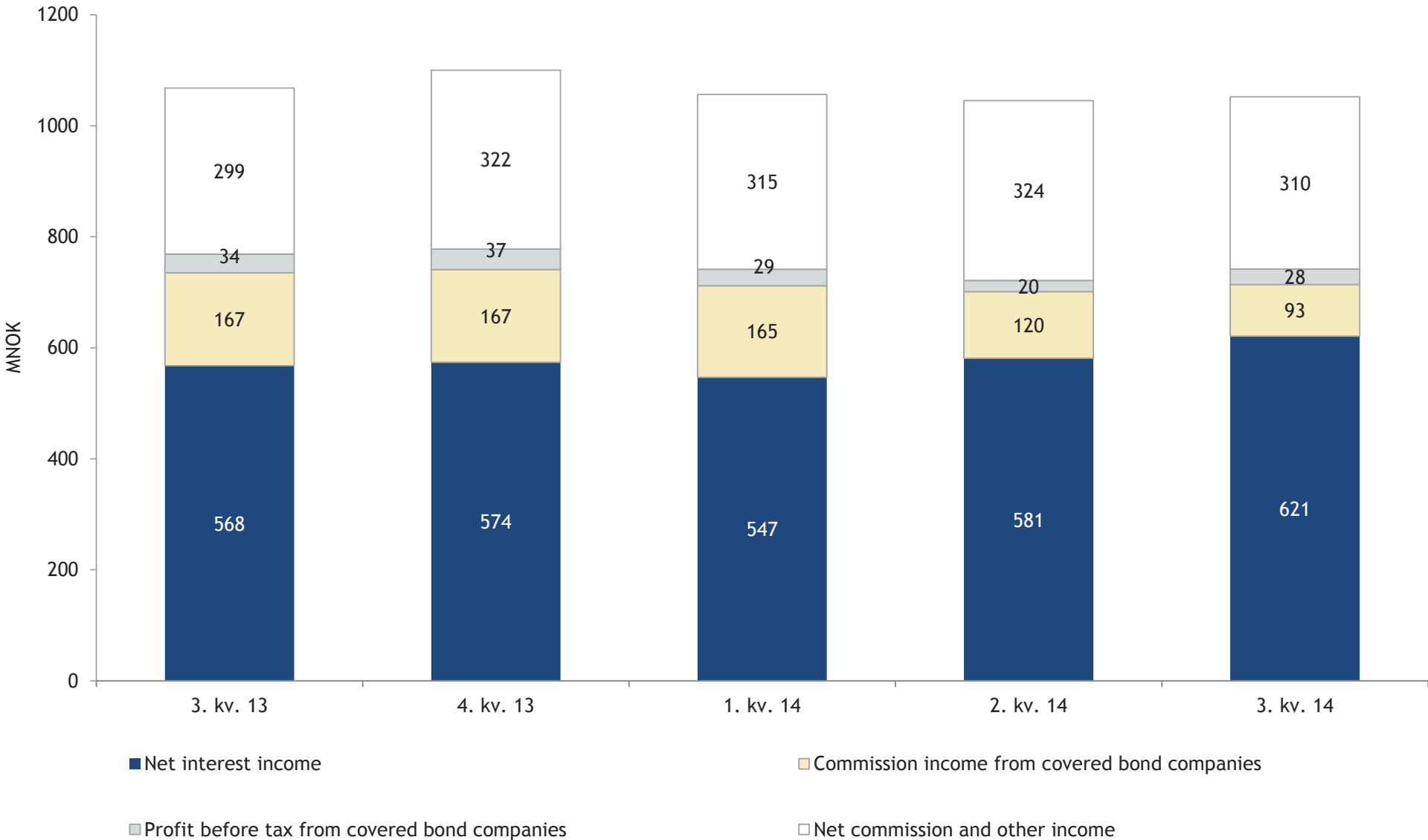
Income statement

<i>Group Income Statement (MNOK)</i>	30.09 14	30.09 13	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Net interest income	1.749	1.545	621	581	547	574	568
Net commission and other income	1.327	1.335	403	444	480	489	466
Net income on investment securities	662	360	142	201	319	195	137
Total income	3.738	3.240	1.166	1.226	1.346	1.258	1.171
Total operating expenses	1.526	1.485	520	501	505	534	478
Operating profit before losses	2.212	1.755	646	725	841	724	693
Impairment losses on loans and guarantees	164	82	69	41	54	50	32
Operating profit before tax	2.048	1.673	577	684	787	674	661
Tax expense	401	380	123	150	128	107	145
Net profit	1.647	1.293	454	534	659	567	516

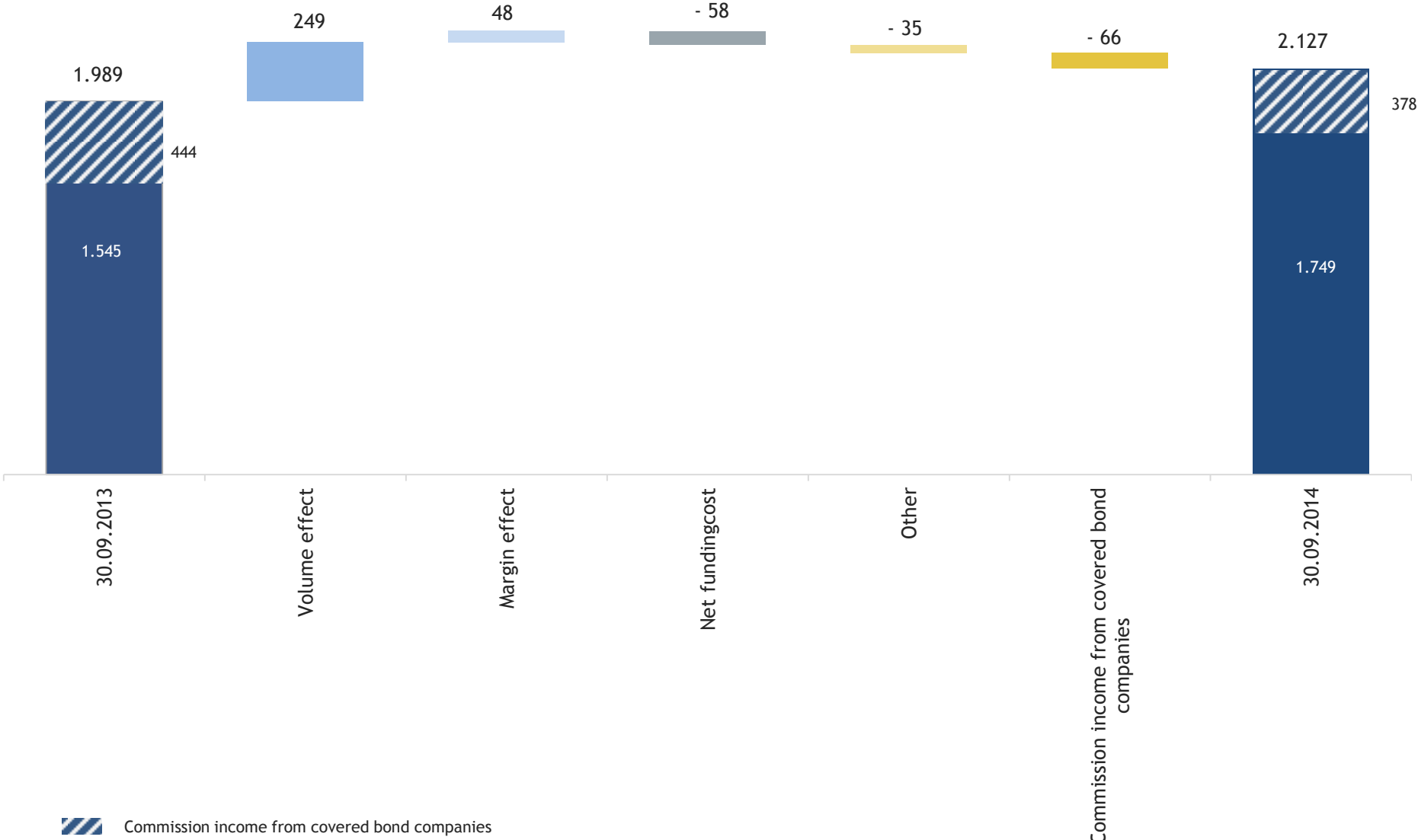
Change in profit 30.09.2013 - 30.09.2014



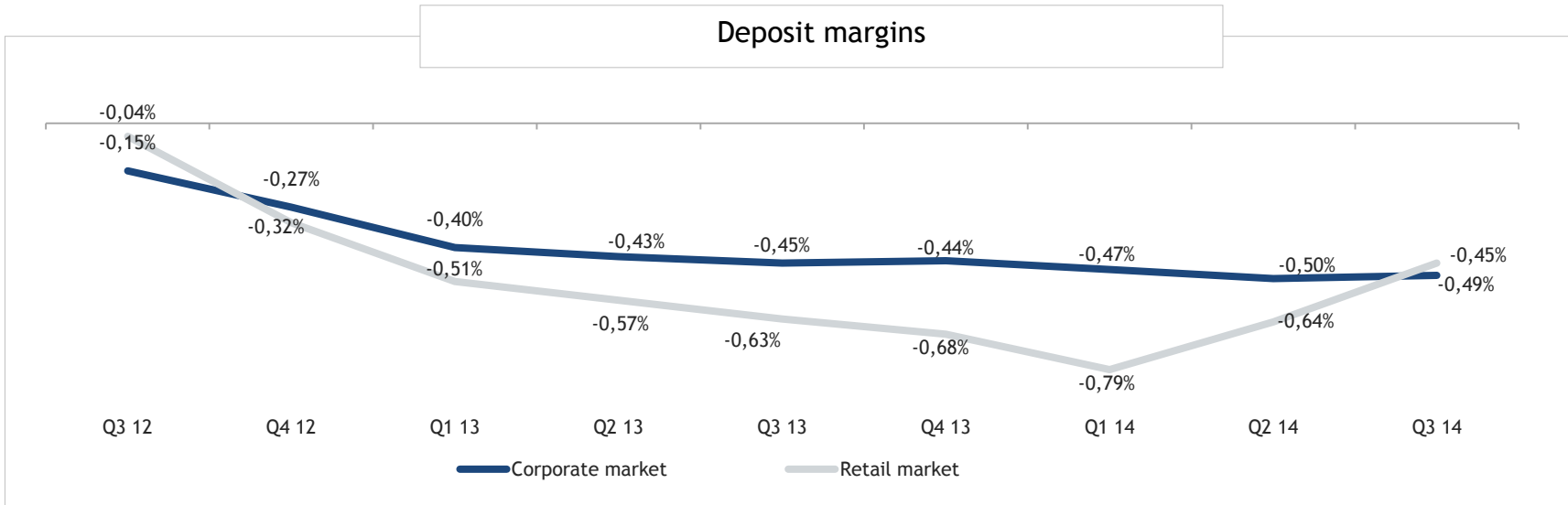
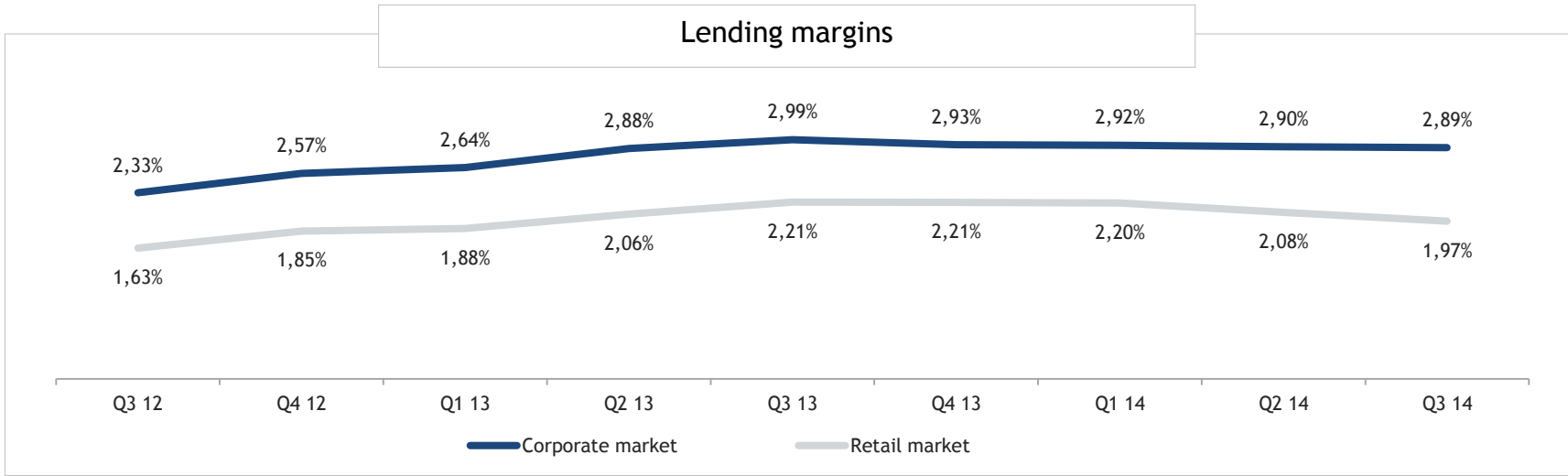
Consolidated income profile



Change in net interest income and commission income from covered bond companies; 30.09.2013 - 30.09.2014

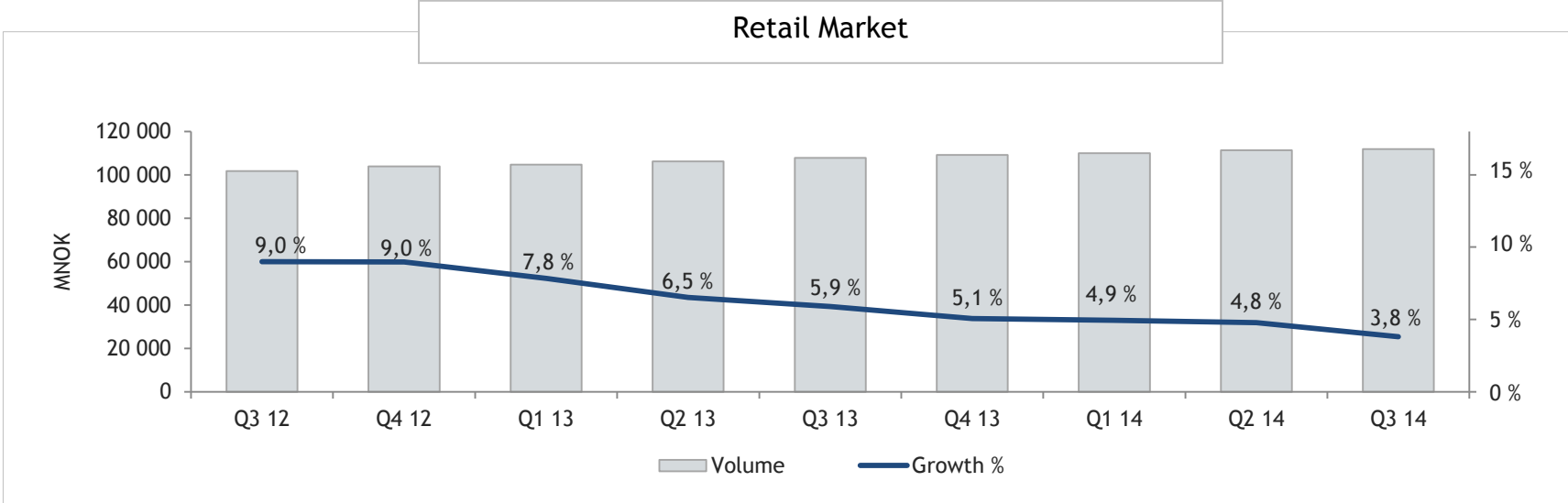
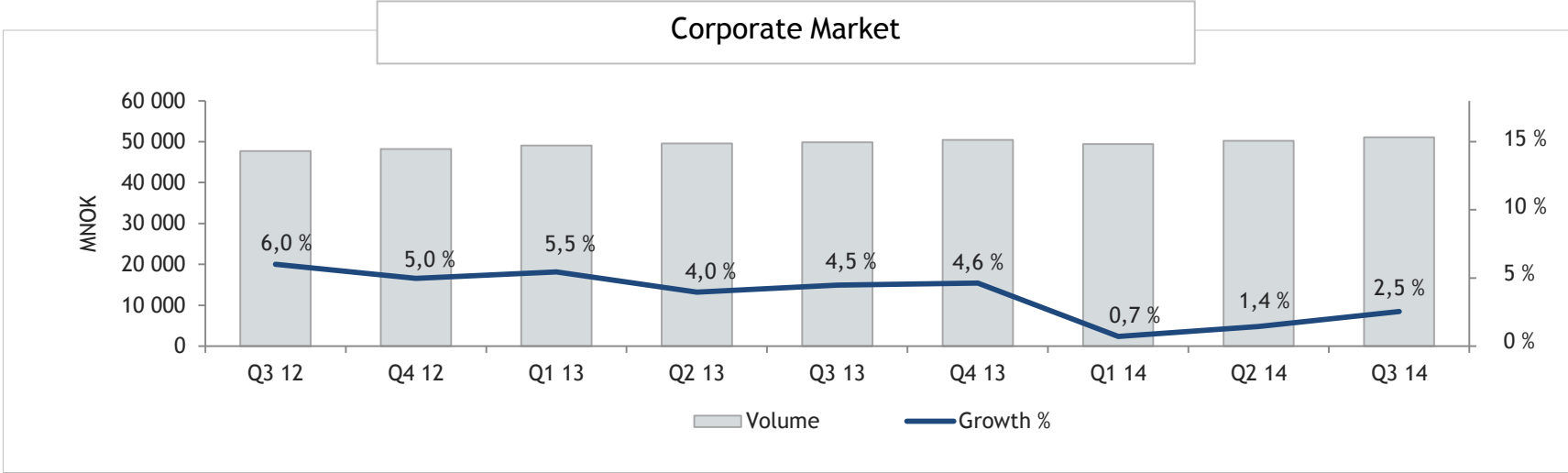


Lending and deposit margins



Definition: Average customer interest rate against 3-month moving average for 3-month NIBOR. Lending margins include loan portfolio in covered bond companies

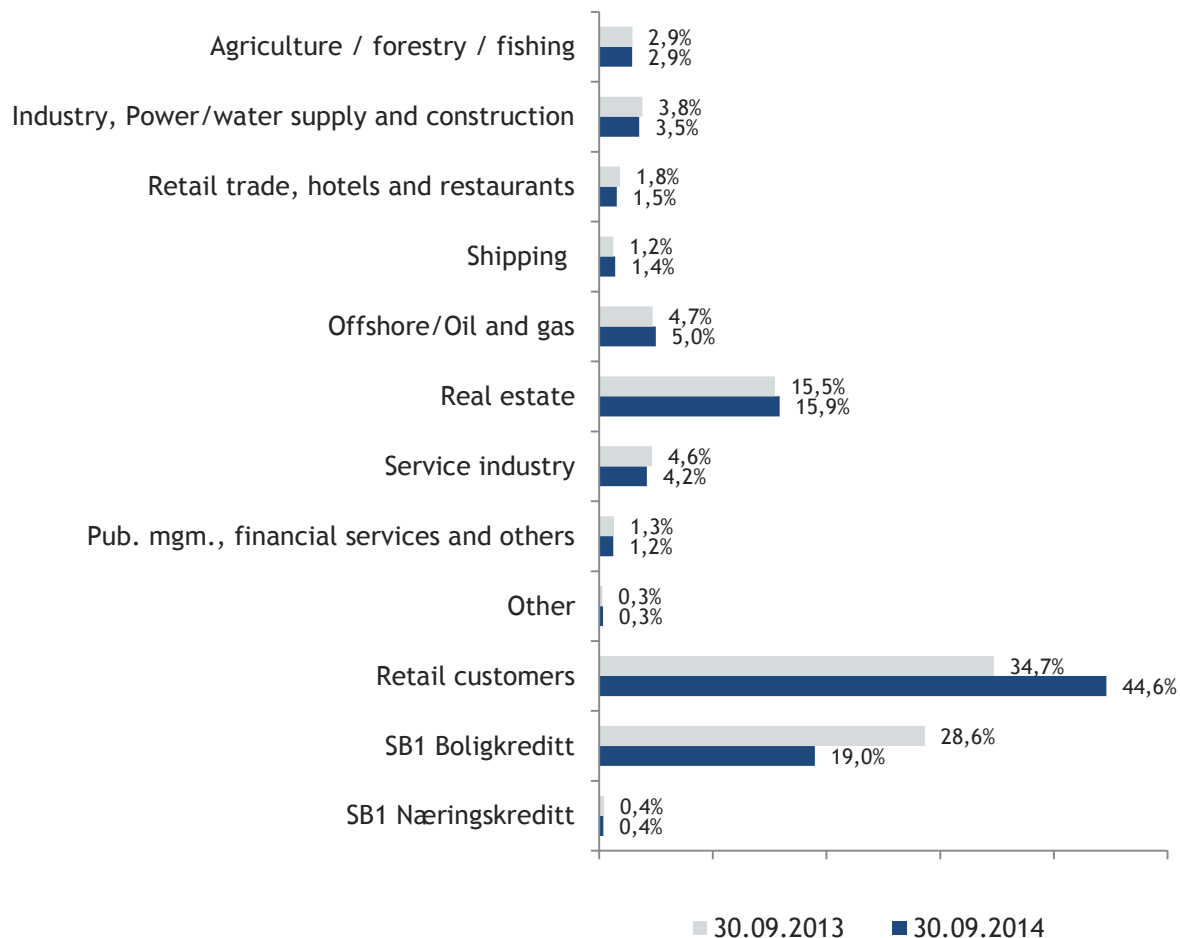
Lending volume and 12 months growth



* Incl. loan portfolio in covered bond companies

Loan portfolio as at 30.09.2014

- *Gross loans as at 30 September 2014 amount to NOK 170.3 billion compared with NOK 164.5 billion at the same time last year.*
- *12-month growth in loans of 3.5%.*
- *Loans to retail customers (incl. covered bond company) account for 63.6% of total loans.*
- *Loans to the commercial property sector account for 15.9% of total loans, an increase of 0,4%-points compared at the same time last year.*



Loans before individual write-downs, nominal amounts.

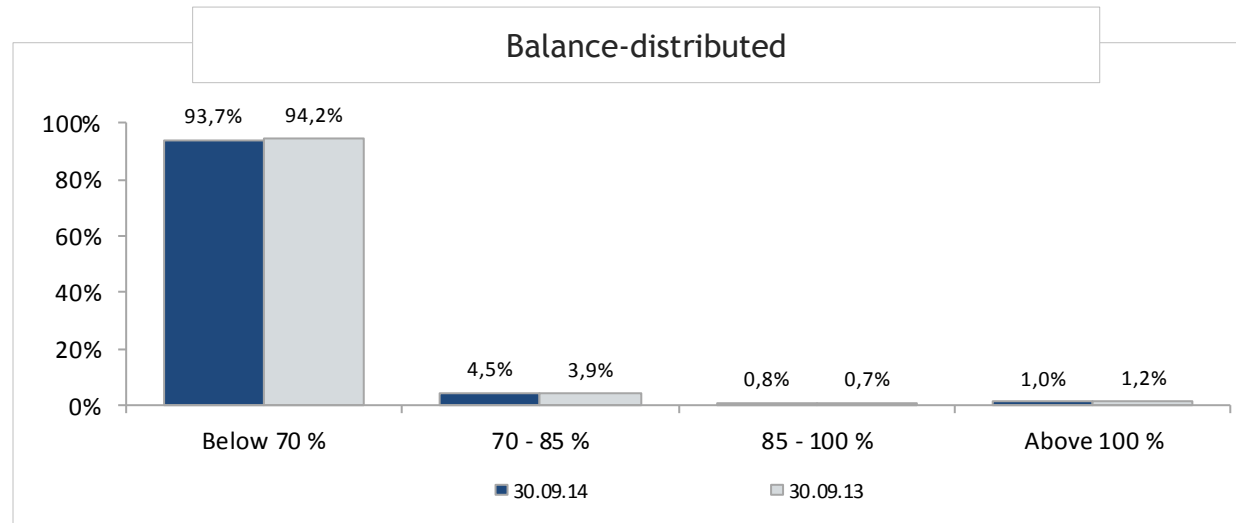
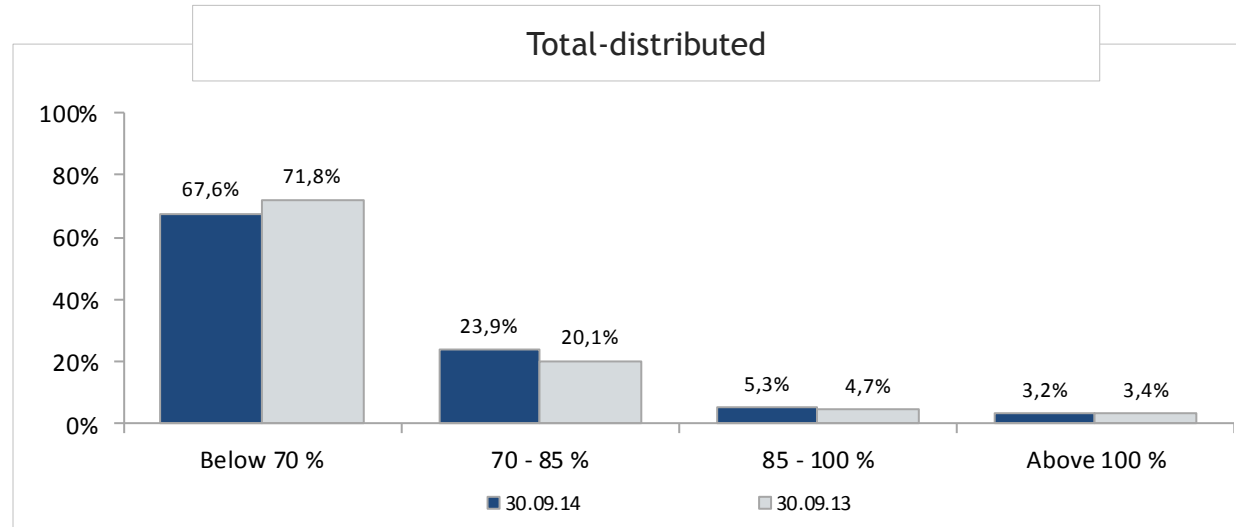
Sector allocation in accordance with the standard categories from Statistics Norway.

Loan to value ratio on home mortgage loans

- The proportion of loans with a loan-to-value ratio of less than 85% is very high and stable at 91.5%.
- 98.2% of gross exposure is within 85% of the assessed value of collateral. This means that only 1.8% of gross exposure exceeds 85% of the assessed value of collateral.

The calculation of the LTV is based on the collateral's market value. In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

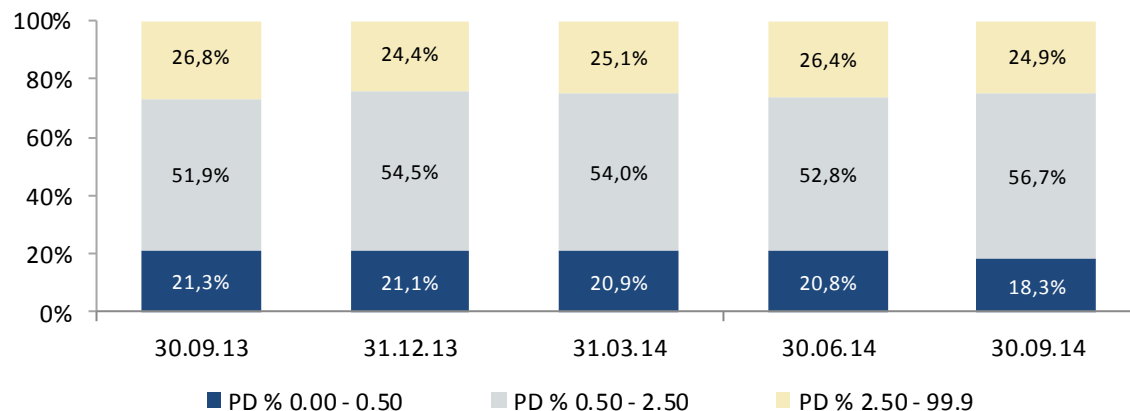
The figures include the loan portfolio in the covered bond company.



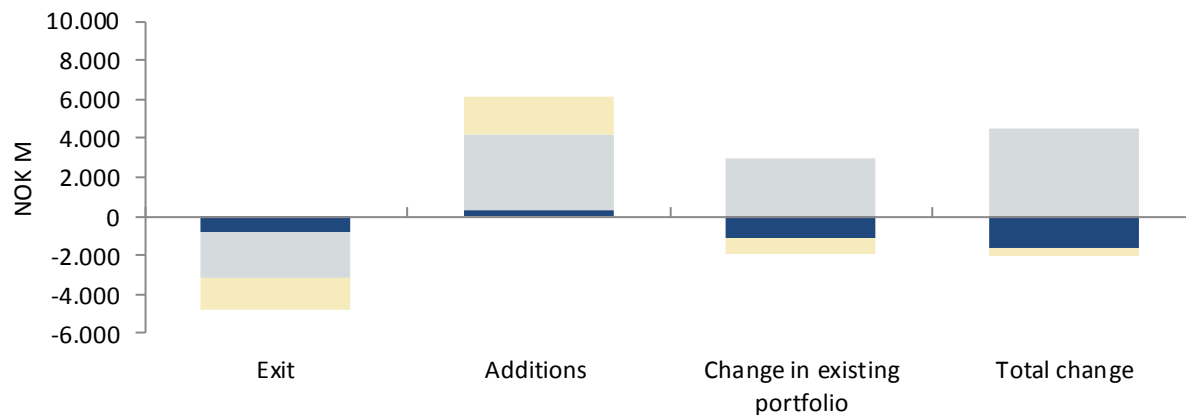
Lending to the corporate market - risk profile

- *The quality of the corporate market portfolio is good.*
- *The average PD has improved. This trend is particularly driven by a strengthened risk profile of existing customers.*
- *Loans with a PD above 2.5% represent 24.9% of the corporate loan portfolio.*

Development in corporate market's portfolio distributed by risk class

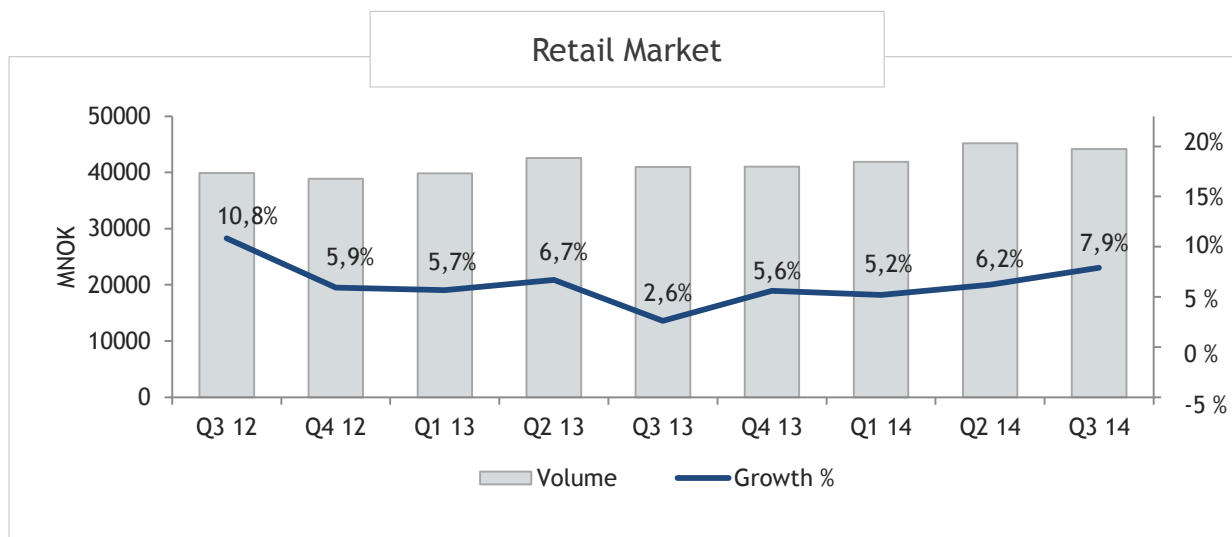


Migration in corporate market's portfolio last 12 months



Deposits volume and 12 month growth

- Last 12 months deposits increased by NOK 10.5 billion to 81.2 billion.
 - Corresponds to an increase in the period of 14.9%.
- Deposits from the corporate market includes institutional deposits from money market funds, etc.



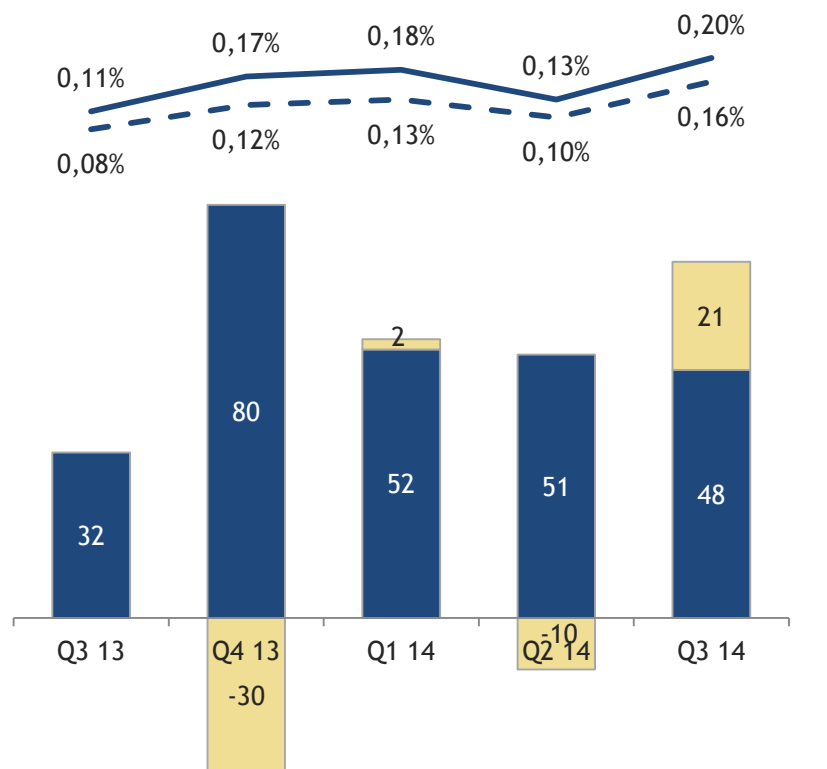
* Includes also the Capital Market Division.

Operating expenses

	30.09	30.09					
<i>MNOK</i>	14	13	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Personnel expenses	884	862	304	293	287	297	283
Restructuring costs	3	11	3	0	0	26	1
Non-recurring effect, pension-related items	7	0	0	0	7	0	0
Total personnel expenses	894	873	307	293	294	323	284
IT expenses	202	185	69	67	66	65	63
Marketing	67	65	21	29	17	21	17
Other administrative expenses	71	73	24	24	23	23	24
Total administrative expenses	340	323	114	120	106	109	104
Depreciation	66	53	32	17	17	21	17
Operating expenses from real estate	27	35	7	7	13	5	10
Other operating expenses	199	201	60	64	75	76	63
Total other operating expenses	292	289	99	88	105	102	90
Total operating expenses	1.526	1.485	520	501	505	534	478

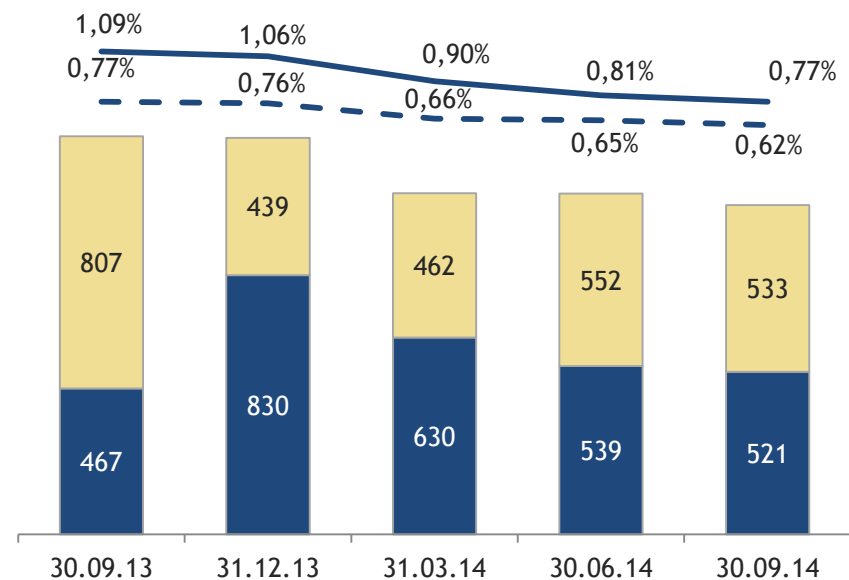
Impairment losses on loans/Non-performing and doubtful commitments

Impairment losses on loans



- Collective impairment losses on loans, MNOK
- Individual impairment losses on loans, MNOK
- Loss ratio in % of average gross loans
- Loss ratio in % of average gross loans incl. from covered bond companies

Non-performing and doubtful commitments



- Doubtful commitments, MNOK
- Non-performing loans, MNOK
- Non-performing and doubtful commitments in % of gross loans
- Non-performing and doubtful commitments in % of gross loans incl. from covered bond companies

Agenda

Introduction to SpareBank 1 SR-Bank ASA

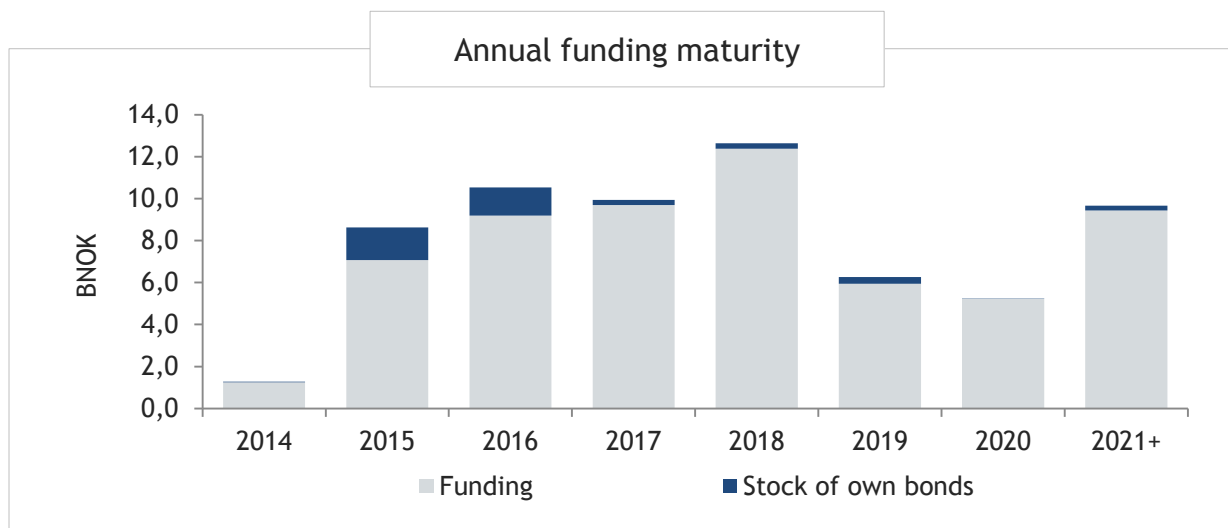
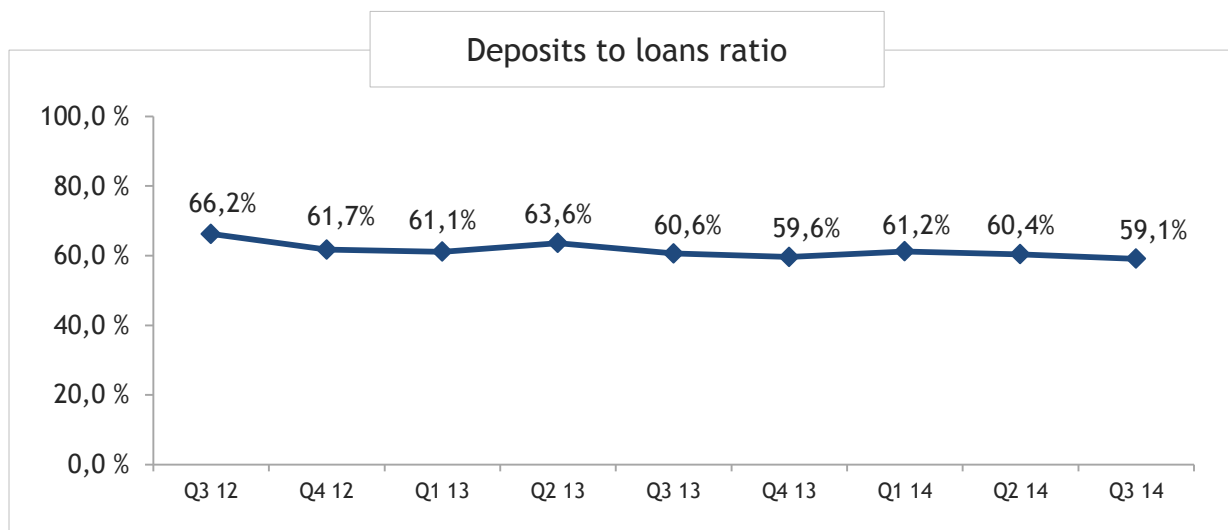
Financials

Solvency and liquidity position

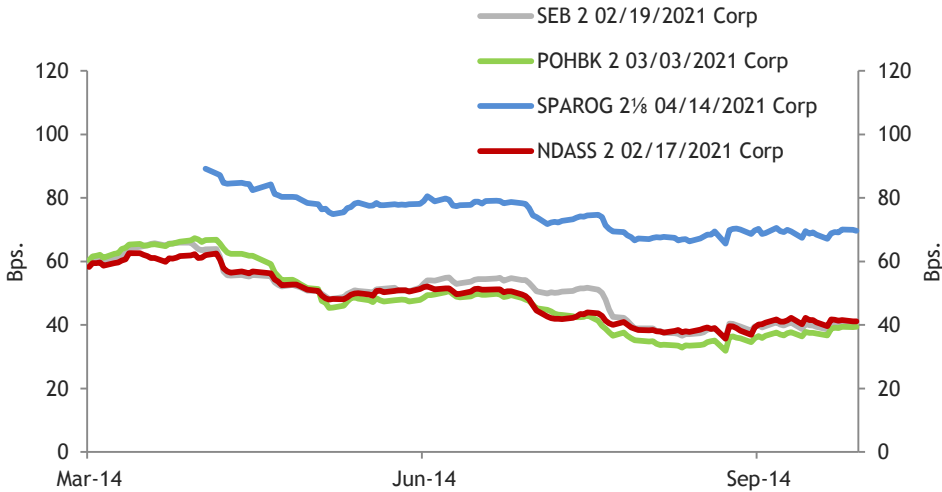
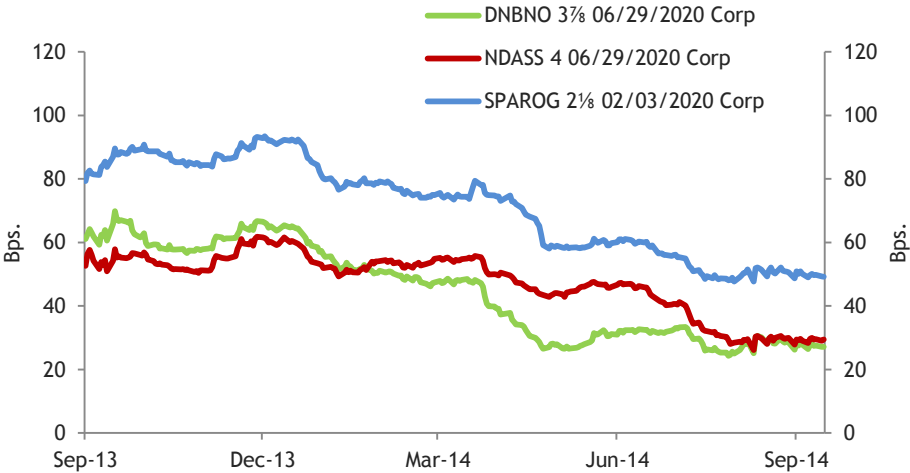
Appendix

Deposits to loans ratio and market funding

- *Development in deposits to loans ratio reflects our funding strategy with a greater share of senior funding and the reduced use of covered bond funding.*
- *Good liquidity and good access to market funding*
 - *Net refinancing need over the next 12 months is NOK 8.1 billion*
- *Liquidity buffer for normal operation in 27 months with closed markets.*
 - *In addition to the liquidity buffer, NOK 26.1 billion of home mortgages are prepared for sale to the covered bond company.*
 - *Will apply for license to establish a 100% owned covered bond company as a supplement to SpareBank 1 Boligkreditt.*
 - *The purpose is to optimize funding mix and eliminate possible limitations due to regulatory limits on large exposures.*



An established borrower in the Euromarket

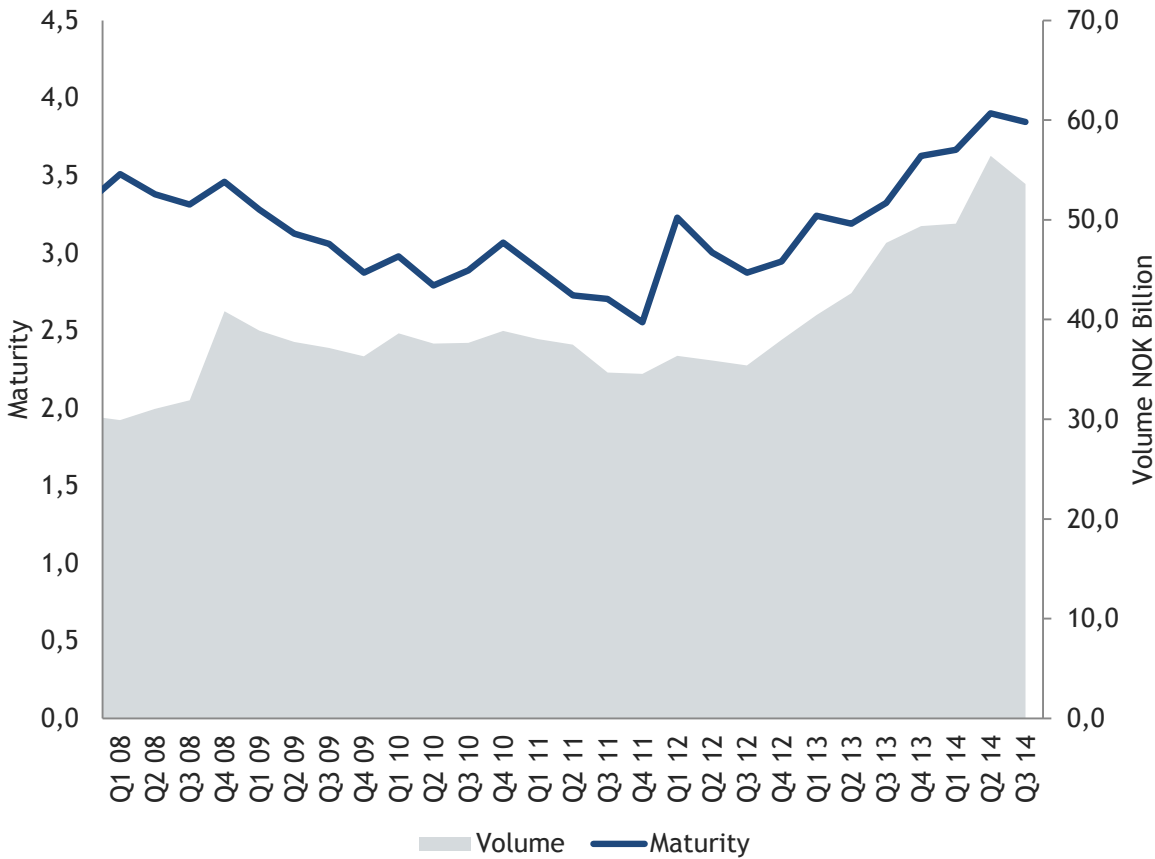


Issuer / Ticker	Coupon	Amount	Maturity	ISIN
SR-Bank / SPAROG	3,625%	EUR500mn	24-March-2015	XS0497119486
SR-Bank / SPAROG	3,500%	EUR500mn	21-April-2016	XS0551556409
SR-Bank / SPAROG	3,500%	EUR500mn	27-March-2017	XS0762421195
SR-Bank / SPAROG	2,000%	EUR500mn	14-May-2018	XS0853250271
SR-Bank / SPAROG	2,125%	EUR500mn	27-February-2019	XS0965489239
SR-Bank / SPAROG	2,125%	EUR500mn	03-February-2020	XS0876758664
SR-Bank / SPAROG	2,125%	EUR750mn	14-April-2021	XS1055536251

Significantly improved funding structure since 2008

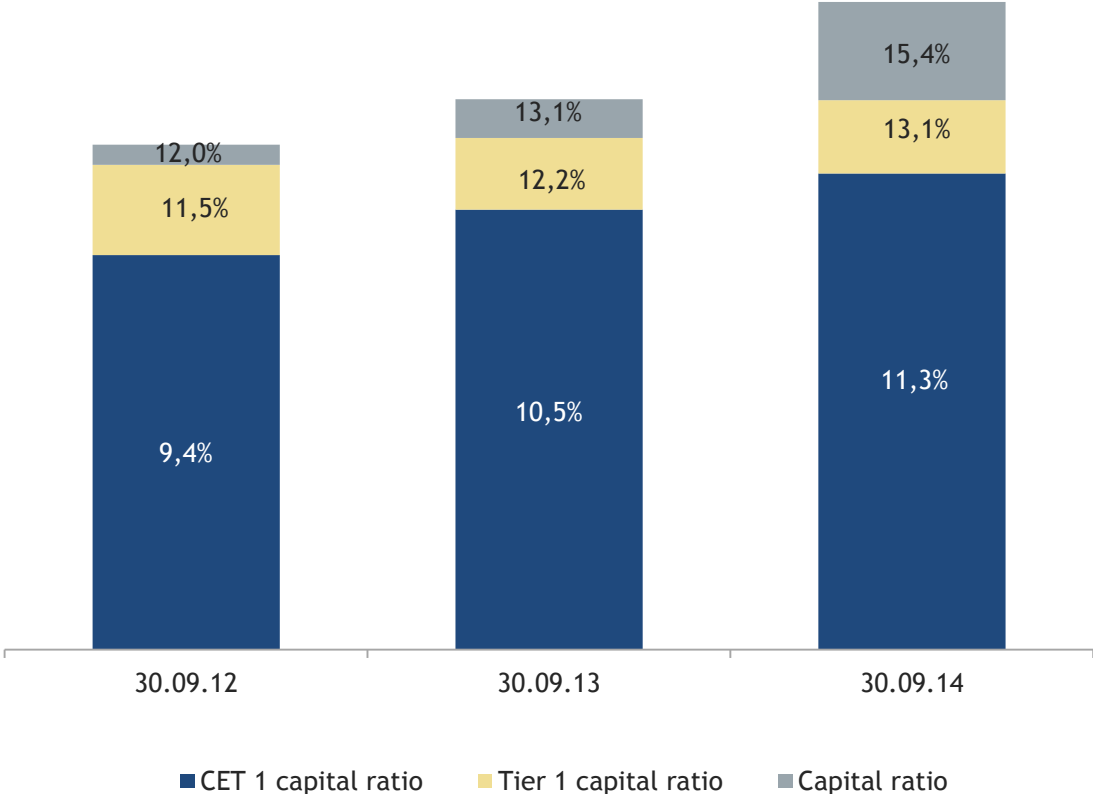
- Funding indicator 1 (ratio of illiquid assets financed by issued securities with a duration of more than 1 year) is 106,5% for the parent bank and 106,4% on consolidated basis.
- LCR according to EC's delegated act of 84 %.

Average maturity of long term funding (excl. covered bonds)



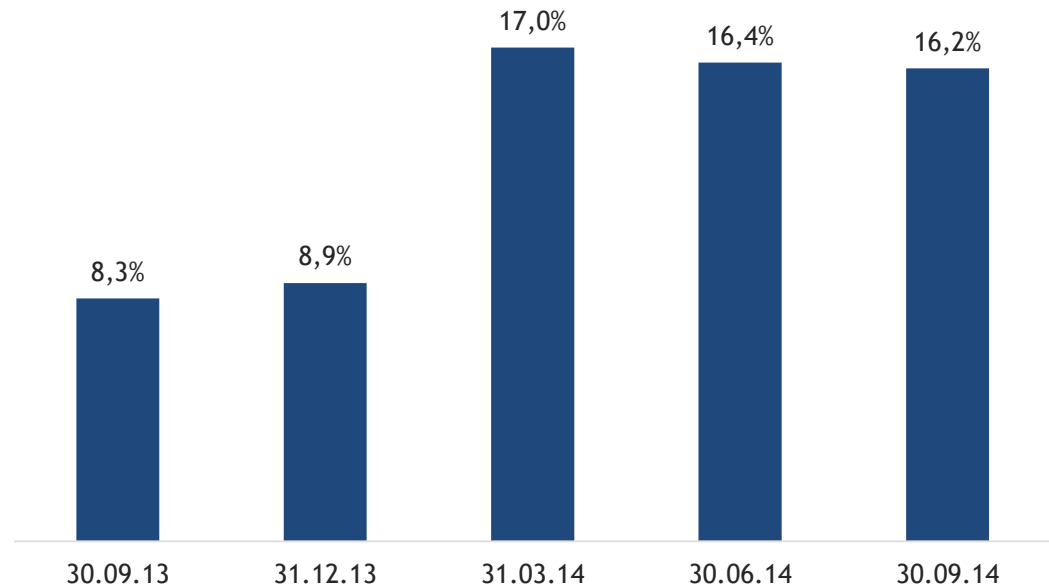
Stronger capital ratio

- SpareBank 1 SR-Bank is compliant with all capital requirements per 30.09.2014.
- The use of different risk weights in the Nordic countries makes comparisons of actual financial strength difficult.
 - The Basel I floor is also practised differently.



RWA home mortgages (incl. SpareBank 1 Boligkreditt)

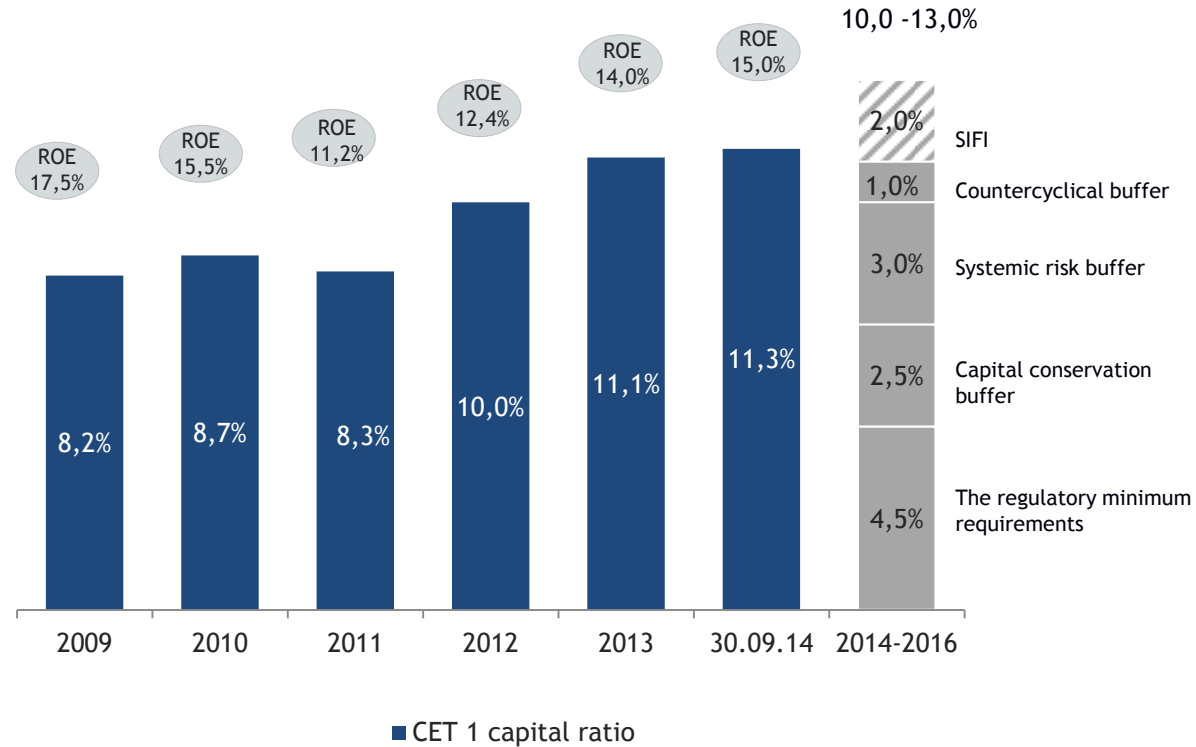
- *The shift that occurs from Q1 2014 is due to increased regulatory LGD from 10% to 20%.*
- *FSA informed 1st July 2014 a further tightening of risk weights for mortgages. This in combination with the so-called LGD floor from 1st January 2014 will mean that the average risk weight for existing mortgages will increase to the range 22 - 24%.*



Home mortgages as defined in the Norwegian IRB framework; residential property must make up at least 30 % of a loan's security

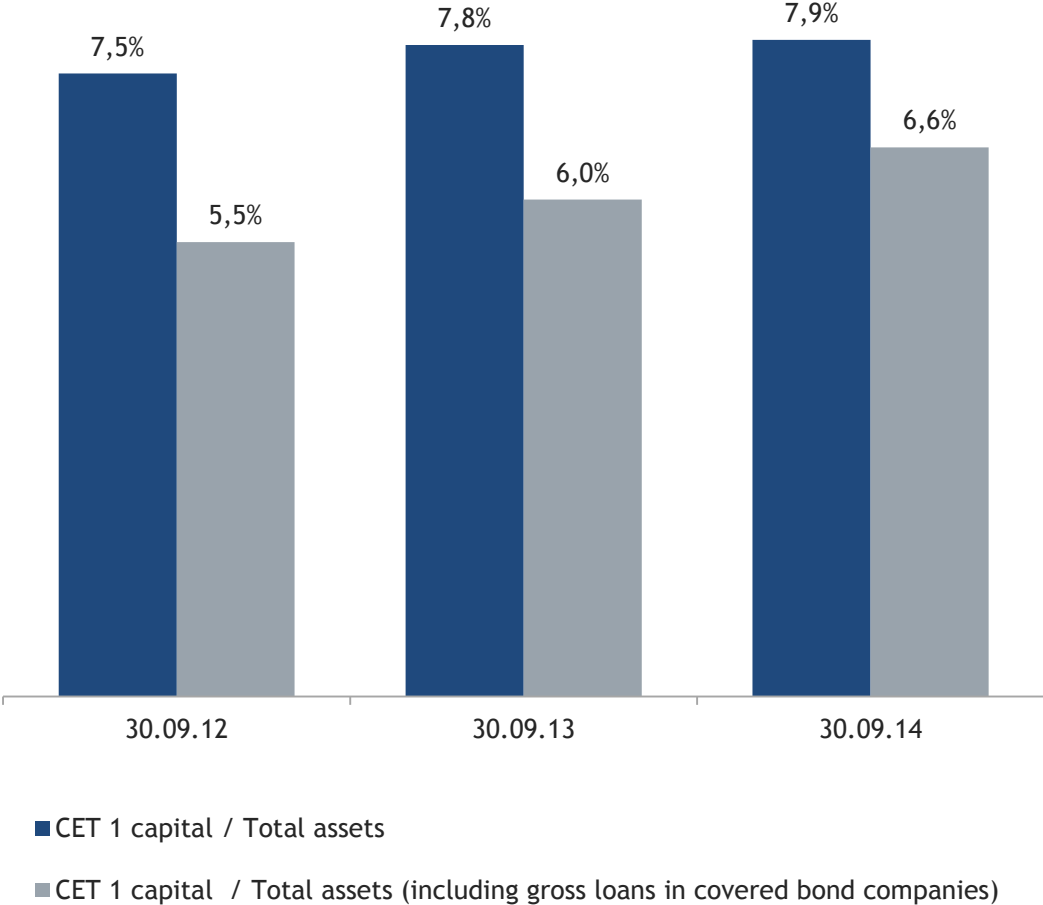
Common equity tier 1 being strengthened in line with stricter regulatory requirements

- *New capital requirements entail a need to continue increasing common equity tier 1 capital going forward.*
- *SpareBank 1 SR-Bank is not defined as systemically important financial institution (SIFI) according to the Regulations of 12 May 2014 but is close at SIFI-requirement for market share.*
- *Common equity tier 1 capital will be strengthened further through good profitability and retained earnings, combined with limited growth in risk weighted assets.*
- *The target CET 1 level will, over time, be 0.5-1.0% above the regulatory requirement.*



Strengthened core equity tier 1 capital ratio calculated on basis of total assets

- Core equity tier 1 capital ratio calculated on basis of total assets as at 30 September 2014 was 7.9%.
- Measured according to this expression of financial strength, SpareBank SR-Bank is very well capitalised and substantially exceeds the levels being discussed internationally.



Outlook

- From record high levels, oil investments are expected to fall in 2015.
- A continued high level of investment involves strong activity in the petroleum sector, but uncertainty has increased somewhat due to lower oil prices.
- Major infrastructure projects and high activity in house building are helping to ensure good conditions for the region's business and population growth, with lasting low unemployment.
- Slightly greater uncertainty about economic developments may help to dampen demand for loans, while low interest rates and wage inflation work in the opposite direction. We expect stable house prices going forward and still strong competition for new home mortgage customers.
- Non-performance and loan impairment losses are expected to remain relatively low in the coming quarters.
- Solid earnings from a robust business model indicates we are well positioned to build up the necessary capital going forward, while ensuring continued competitiveness.

Agenda

Introduction to SpareBank 1 SR-Bank ASA

Financials

Solvency and liquidity position

Appendix

Our vision: Recommended by customers

Primary objective

- SpareBank 1 SR-Bank ASA is committed to value creation in the bank`s core market area
- Sustainable contribution to the value creation process in the region through;
 - Sustainable an profitable business model
 - Owner friendly and stable dividend policy

Financial targets

- ROE above 13% at a normalised level of interest rates
- Top 50% ROE and cost/income in a Nordic benchmark
- CET1 capital ratio at 0.5-1.0% above the regulatory requirement

Strategic goals

- Most attractive and preferred partner for financial services in South-Western Norway, based on;
 - Good customer experience
 - Strong team spirit and professionalism
 - Local anchoring and local decisions
 - Solvency, profitability and trust by the market

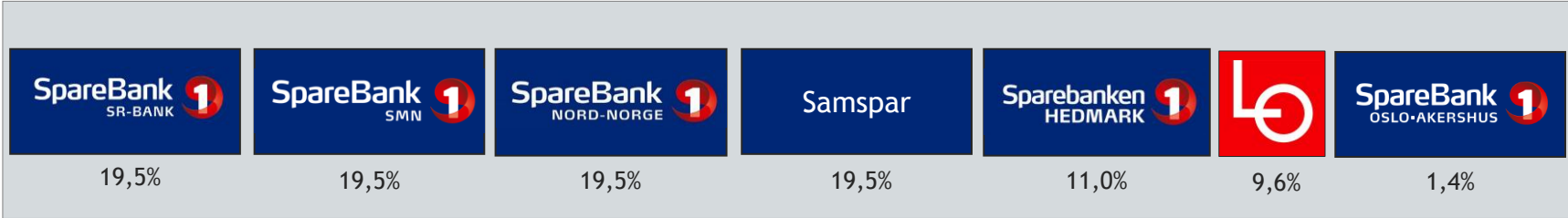
Strategic focus

- Targeted customer growth and increased product mix
- Innovative and continuing focus on efficiency
- Expertise adapted to future customer needs
- Diversified funding platform

SpareBank 1 Alliance

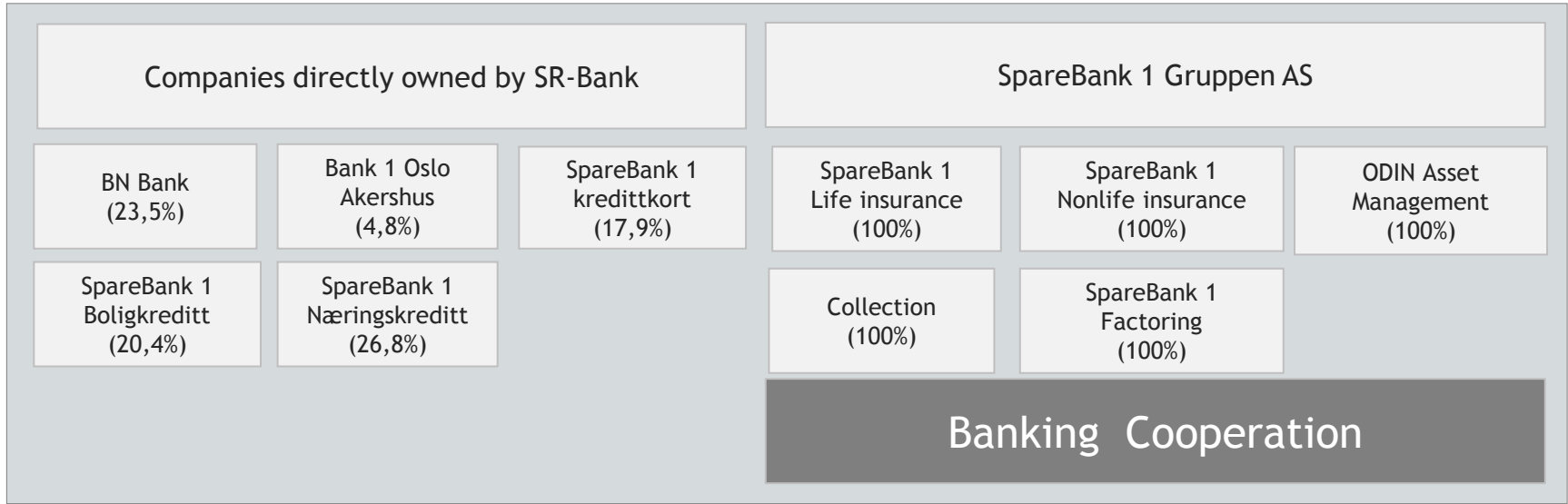
Owners of the alliance

- All credit decisions are made at the local banks
- Economies of scale related to expenses, IT solutions, marketing and branding



Products, commissions, dividends

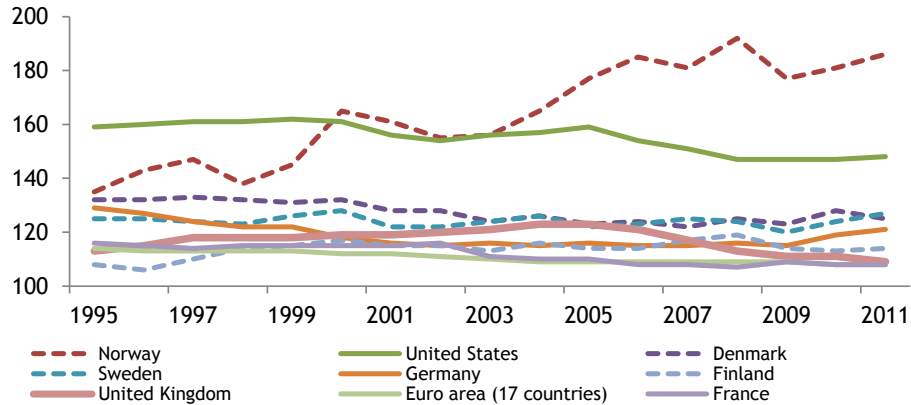
Sales, loan portfolios, capital



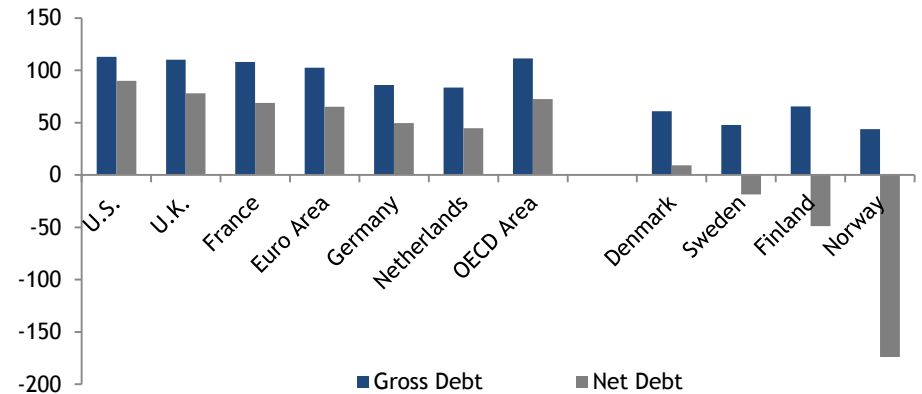
Norwegian Economy

- A unique situation with a continuing budget surplus...

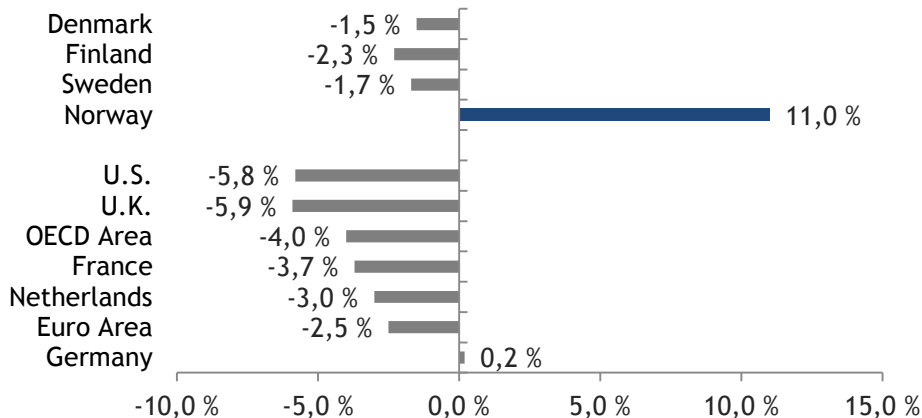
GDP per capita in PPS, index, EU 27 = 100



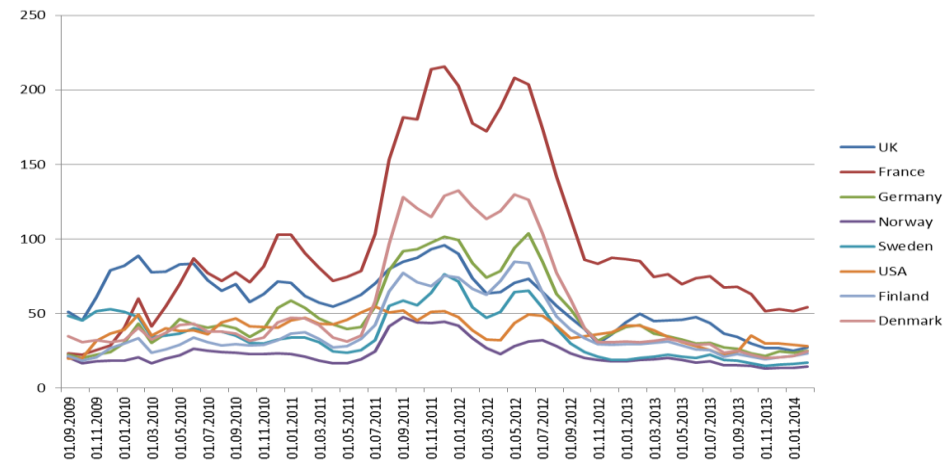
2013 governments financial liabilities (in per cent of GDP)



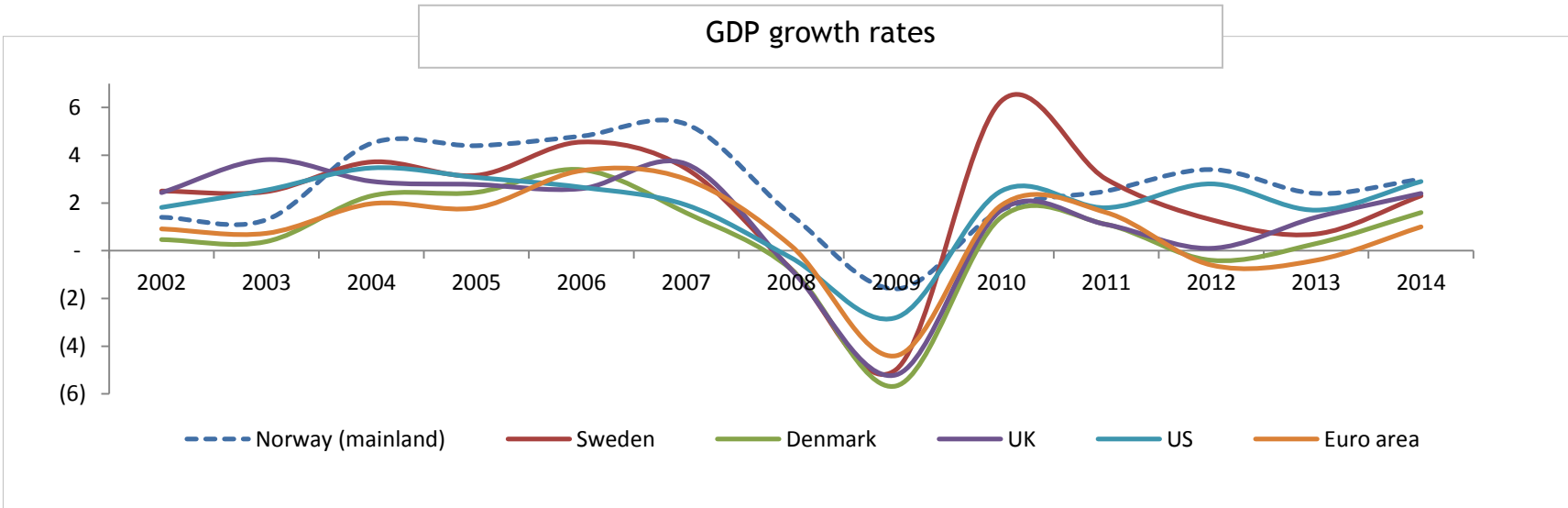
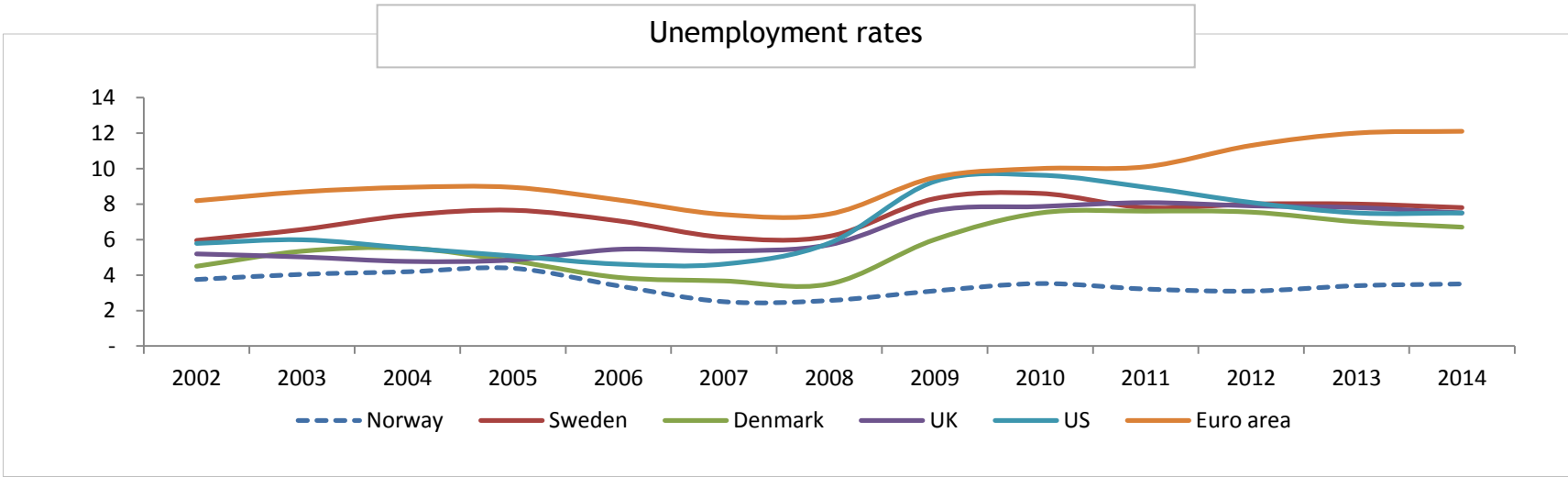
2014 expected government deficit/surplus (in per cent of GDP)



The market view; 5 year Sovereign CDS levels



Norwegian Economy - international context

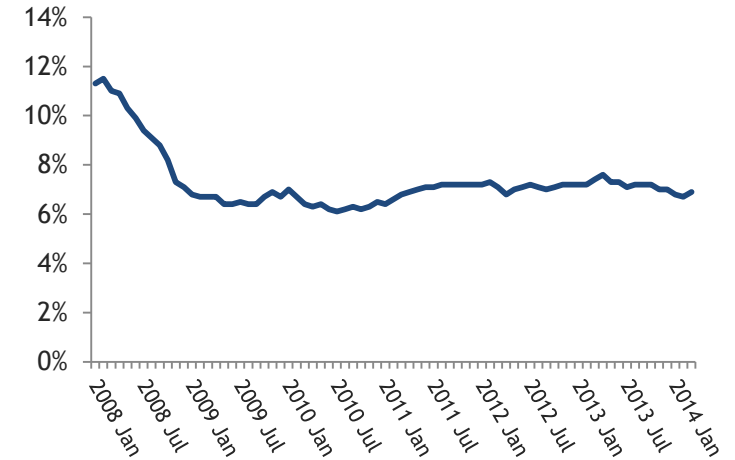


Norwegian Housing and Mortgage Market

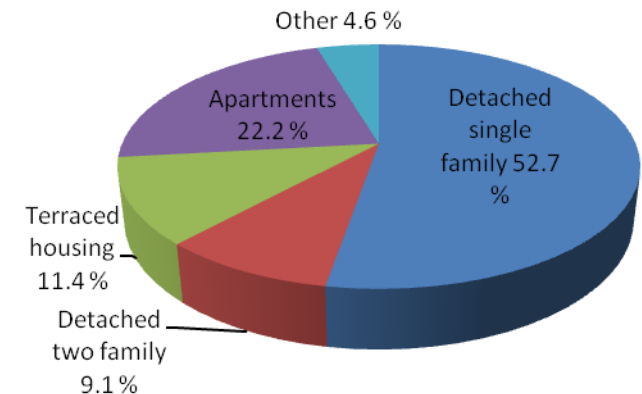
Key Characteristics

Market	<ul style="list-style-type: none"> • Total mortgage market approx NOK 2,300 billion (approx USD 380bn, €280bn) • Banks and credit institutions are the dominant supplier of mortgages with over 90% market share • Typical maturity 25-30 years and repayment mortgages • No subprime market
Home Ownership	<ul style="list-style-type: none"> • 80% of households owner occupied (little buy to let) • Amongst the highest home ownership in the world
Social Security	<ul style="list-style-type: none"> • Generous unemployment benefits • Unemployment benefit represents ca 60% of final salary for 104 weeks
Personal Liability	<ul style="list-style-type: none"> • Borrowers are personally liable for their debt, also for outstanding debt post foreclosure and forced sale • Swift foreclosure regime upon non-payment • Individual borrowers have tight relationship with their lenders • Transparent information about borrowers
Regulation	<ul style="list-style-type: none"> • Max Loan to value: 85% (75% legal limit for cover pool) • Interest only mortgages: max 70% LTV • 5% mortgage interest rate increase as stress test • New Proposed risk weighting for mortgages 35%
Interest Payments	<ul style="list-style-type: none"> • 90-95% of mortgages are variable rate • Interest rates can be reset at the lender's discretion, by giving the debtor 6 weeks notice
Tax Incentives	<ul style="list-style-type: none"> • 28% of interest paid is tax deductible (equal to the basic rate of tax) • Low effective real estate tax (lower net worth tax on real estate than financial assets)

Household Credit Growth Rate
(12 month growth rate)



Norwegian Mortgages (by dwelling type)



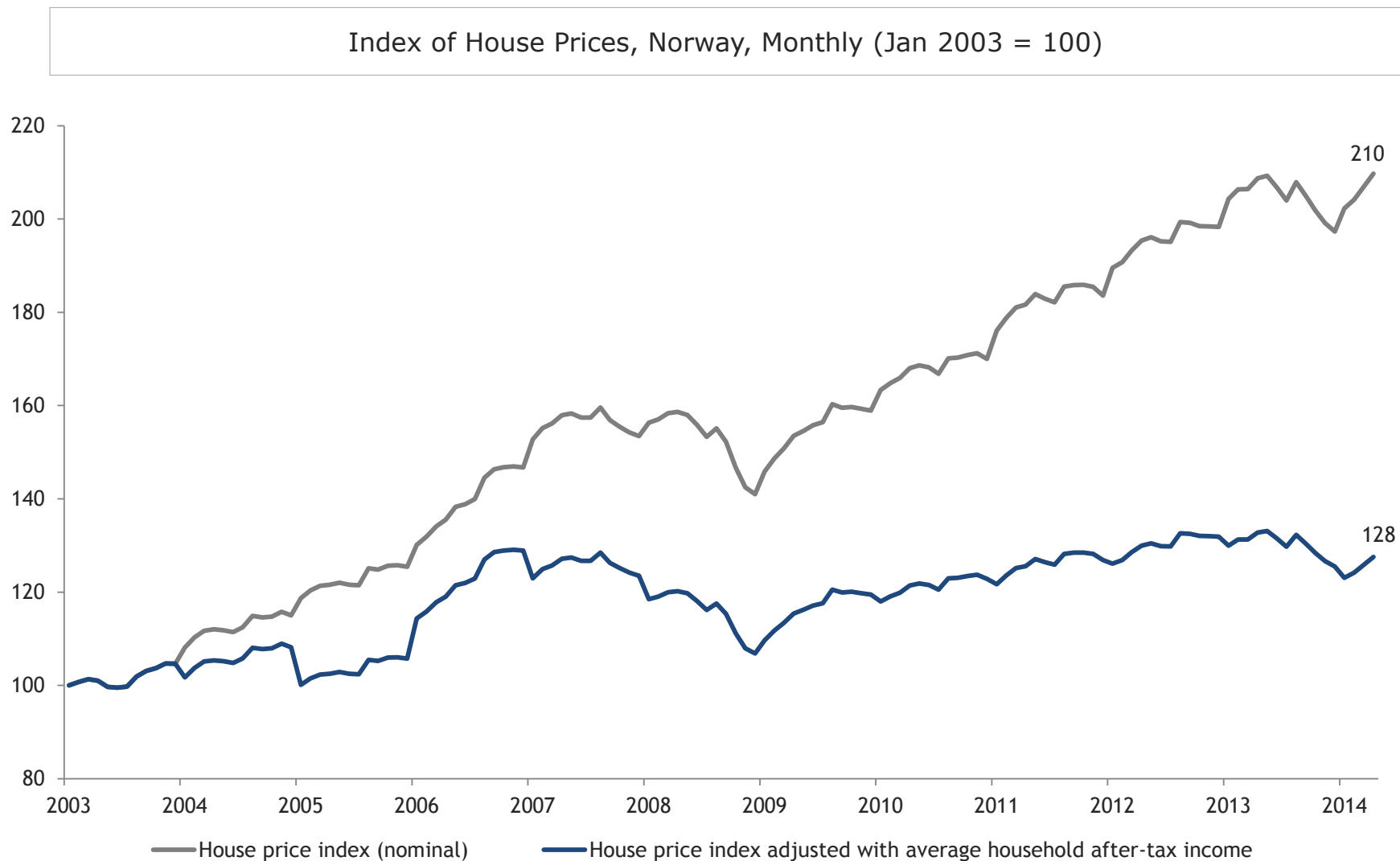
Norwegian Housing and Mortgage Market

Population Change and Completed Housing Units



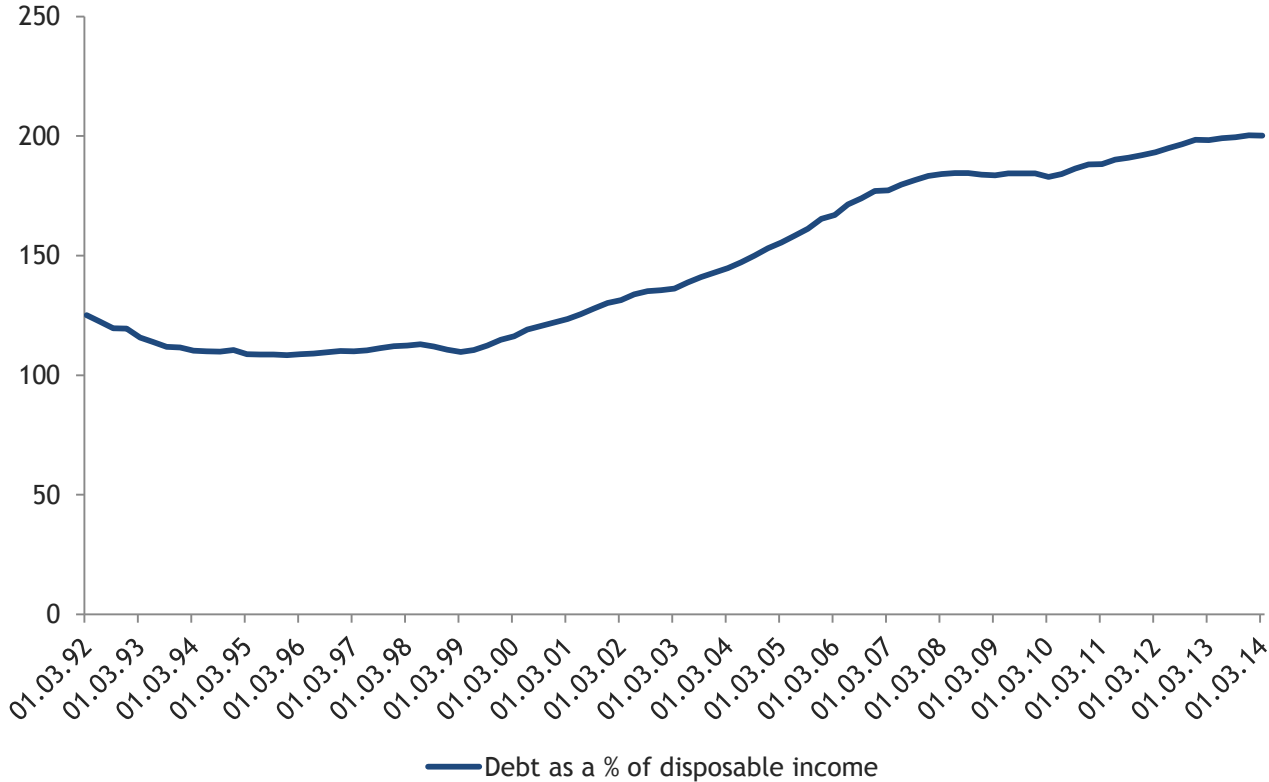
Norwegian Housing and Mortgage Market

- Nominal and real house price development



Aggregate Household Debt Burden

Total Debt burden in per cent of household income (after tax)



Norway:

- All HH debts included in the statistic, question of int'l comparability
- High home ownership (mortgage debt rather than rent commitments)
- Generous benefits (pensions, healthcare, education, childcare, maternity, unemployment)
- Income growth over the last decades has far outpaced the cost of necessities in the time period shown
- HH savings rate is high (9.0% in 2013): debt reduction possible
- FSA advises limit on mortgage debt underwriting in private banks: 85% LTV; 3x HH income; stress-test of ability to repay; effective from 2H 2011

Balance sheet

<i>Balance sheet (MNOK)</i>	30.09.2014	30.09.2013
Cash and balances with central banks	336	588
Balances with credit institutions	2.216	1.732
Net loans to customers	136.685	115.992
Certificates, bonds and other fixed-income securities	16.802	22.408
Financial derivatives	4.023	4.887
Shares, ownership stakes and other securities	623	880
Business available for sale	65	85
Investment in associates	4.601	4.804
Other	2.959	2.263
Total assets	168.310	153.639
Balances with credit institutions	5.493	4.719
Public deposits related to covered bond swap scheme	0	6.429
Deposits from customers	81.228	70.714
Listed debt securities	56.009	50.124
Financial derivatives	3.146	2.235
Other liabilities	3.195	2.310
Additional Tier 1 and Tier 2 capital instruments	4.109	3.597
Total liabilities	153.180	140.128
Total equity	15.130	13.511
Total liabilities and equity	168.310	153.639

Net commission and other income

	30.09	30.09	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
<i>MNOK</i>	14	13					
Payment facilities	179	174	66	56	57	59	66
Savings/placements	130	112	45	40	45	39	40
Insurance products	131	123	45	44	42	41	41
Commission income real estate broking	333	325	105	128	100	108	101
Guarantee commission	77	81	24	26	27	23	29
Arrangement- and customer fees	75	46	20	24	31	45	15
Other	24	30	5	6	13	7	7
Net commission and other income excl. covered bond companies	949	891	310	324	315	322	299
Commission income SB1 Boligkreditt and SB1 Næringskreditt	378	444	93	120	165	167	167
Net commission and other income incl. covered bond companies	1.327	1.335	403	444	480	489	466

Net income on investment securities

	30.09	30.09					
<i>MNOK</i>	14	13	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Dividends	35	35	10	7	18	-2	3
Investment income, associates	368	260	150	137	81	95	130
Securities gains/losses	177	-94	-52	24	205	13	-38
- of which capital change in shares and certificates*	208	4	-22	10	220	42	11
- of which capital change in certificates and bonds	-31	-98	-30	14	-15	-29	-49
Currency/interest gains/loans	82	159	34	33	15	89	42
- of which currency customer- and own-account trading	101	89	40	37	24	46	24
- of which IFRS-effects	-19	70	-6	-4	-9	43	18
Net income on investment securities	662	360	142	201	319	195	137

Subsidiaries

<i>MNOK</i>	30.09.14	30.09.13
EiendomsMegler 1 SR-Eiendom AS		
Number of sales	5.793	5.618
Operating profit before tax	46,6	37,8
SpareBank 1 SR-Finans AS		
Total assets (BNOK)	6,7	6,3
Operating profit before tax	110,2	120,7
SR-Forvaltning AS		
Total assets under management (BNOK)	9,0	7,2
Operating profit before tax	20,4	16,7
SR-Investering AS		
Operating profit before tax	11,5	9,9
Other		
Operating profit before tax	-5,3	-2,7
Total subsidiaries		
Profit before tax	183,4	182,4

Ownership interests

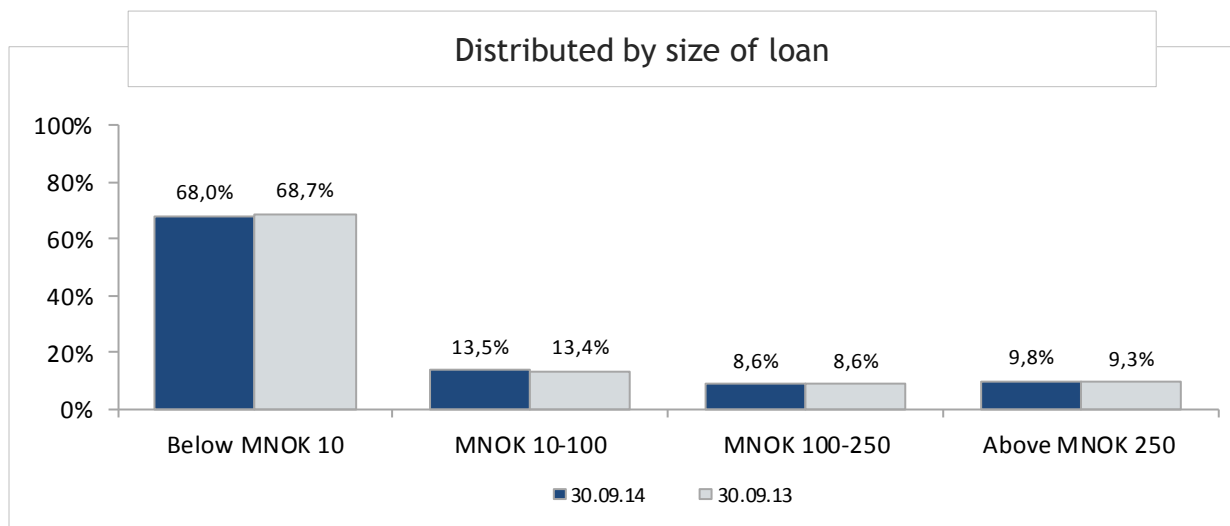
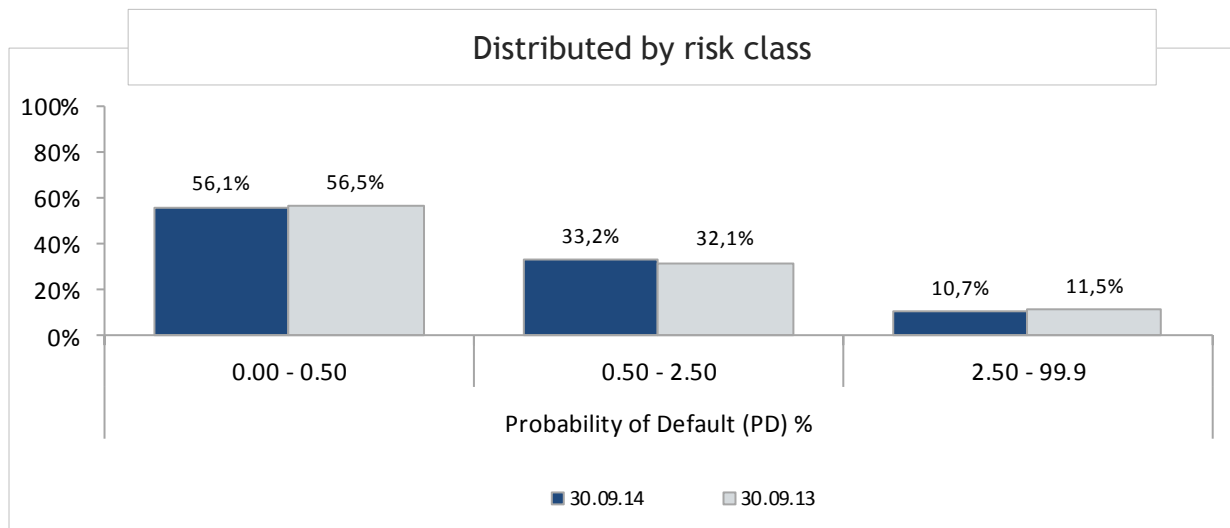
<i>MNOK</i>	30.09.14	30.09.13
SpareBank 1 Gruppen AS (19,5 % interest ownership)		
Profit after tax	261,9	159,7
Adjusted profit previous years	-4,2	-1,6
SpareBank 1 Boligkreditt AS (20,4 % interest ownership)		
Profit after tax	29,9	40,6
Adjusted profit previous years	1,9	1,8
SpareBank 1 Næringskreditt AS (26,8 % interest ownership)		
Profit after tax	23,6	4,9
Adjusted profit previous years	0,7	0,0
BN Bank ASA (23,5 % interest ownership)		
Profit after tax	55,6	48,0
Amortised	0,0	6,1
Other		
Profit after tax	-1,3	0,8
Total ownership interests		
Profit after tax	368,1	260,3

Impairment losses on loans and guarantees

	30.09	30.09					
<i>Losses on loans in income statement (MNOK)</i>	14	13	Q3 14	Q2 14	Q1 14	Q4 13	Q3 13
Corporate customers	140	58	39	48	53	87	9
Retail customers	11	24	9	3	-1	-7	23
Change in collective impairment losses on loans	13	0	21	-10	2	-30	0
Net impairment losses on loans	164	82	69	41	54	50	32
	30.09	30.09	30.09	30.06	31.03	31.12	30.09
<i>Impairment losses on loans (MNOK)</i>	14	13	14	14	14	13	13
Corporate customers	285	293	285	307	329	382	293
Retail customers	58	104	58	54	53	64	104
Collective impairment losses on loans	315	332	315	294	304	302	332
Total impairment losses on loans	658	729	658	655	686	748	729

Risk profile of the loan portfolio

- 56.1% of the loan portfolio has a probability of default (PD)* below 0.5 %.
- The proportion of loans with a PD above 2.5% has been reduced to 10.7 % of the total portfolio.
- 68% is loans constituting gross exposures less than NOK 10 million.
- 18.4 % is to customers who have an exposure in excess of NOK 100 million. The credit quality in this portion of the portfolio is better than in the rest of the corporate market portfolio.



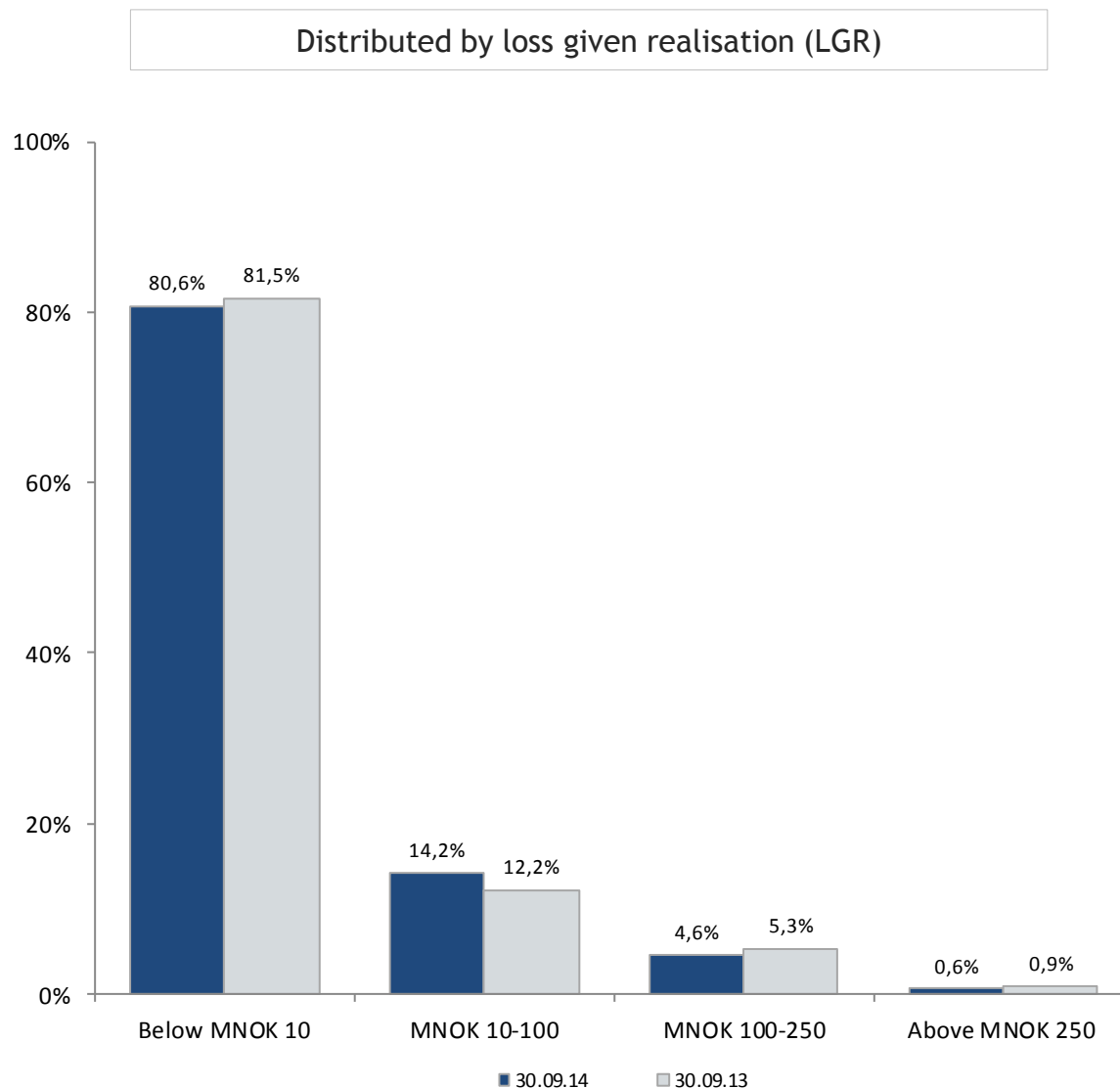
* Probability of default through a business cycle

Low concentration of individual LGRs in the lending portfolio

- At the end of Q3 2014, SpareBank 1 SR-Bank had a total of 23 commitments with a loss potential exceeding NOK 100 million.
- These commitments represent 5.2% of the loan exposure.
- This is a reduction from Q3 2013 when 27 such commitments made up 6.2% of the portfolio.
- There is a clearly defined strategy behind this composition. The growth and risk profile are managed, for example, through special credit strategy limits for concentration risk.

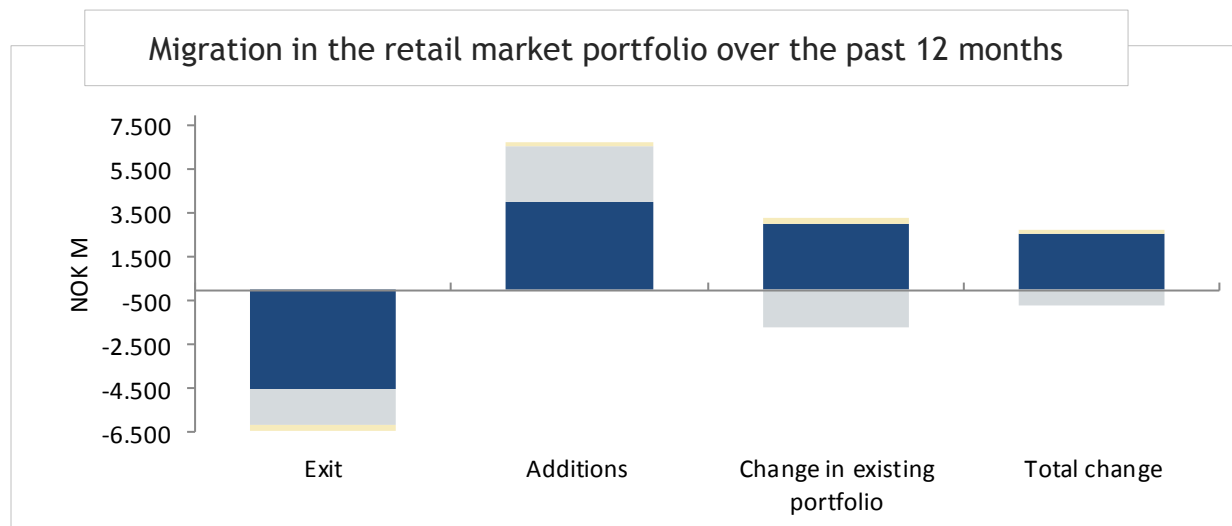
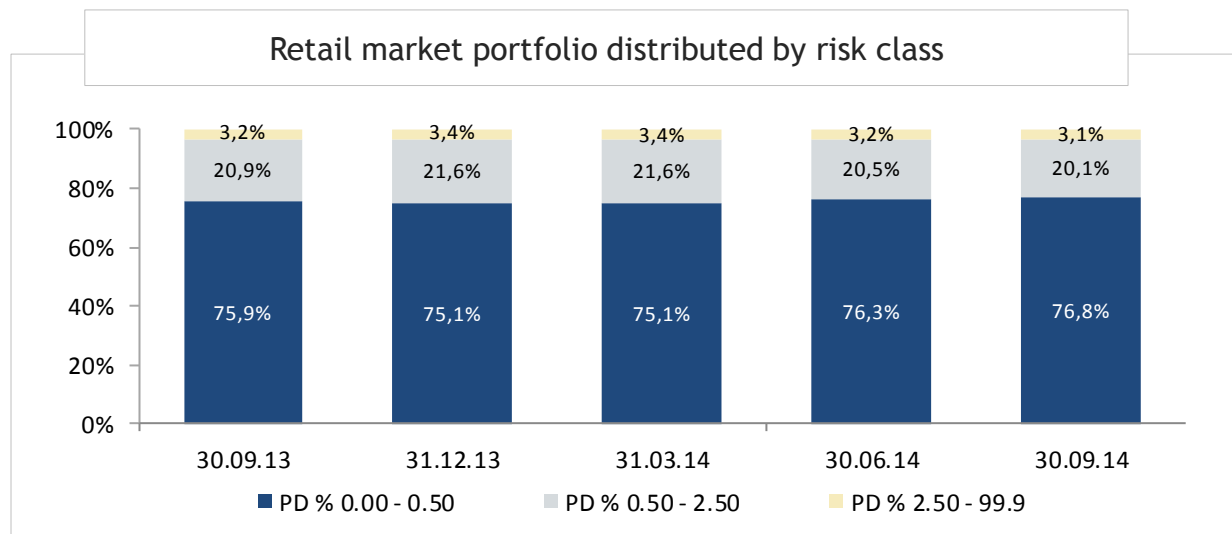
LGR (Loss given realisation). Estimated loss on realising a single loan. Corresponds to LGD without statistical correction for certain non-performing loans being reclassified as recoverable prior to collection. The calculation is based on the realisation value of assets pledged as security in an economic downturn.

The figures include lending portfolios from covered bond companies.



Lending to the retail market - risk profile

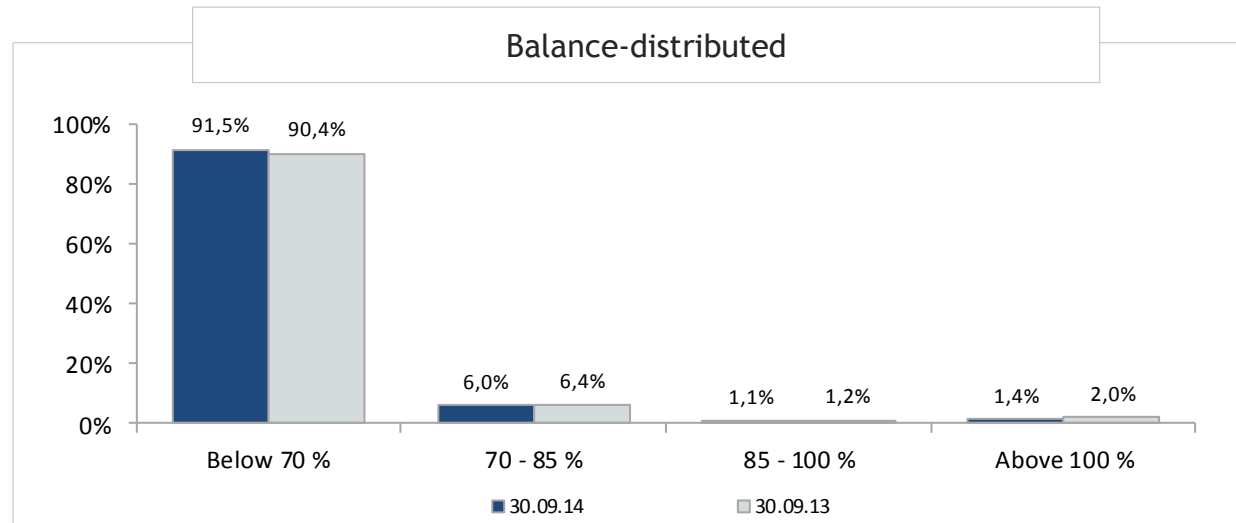
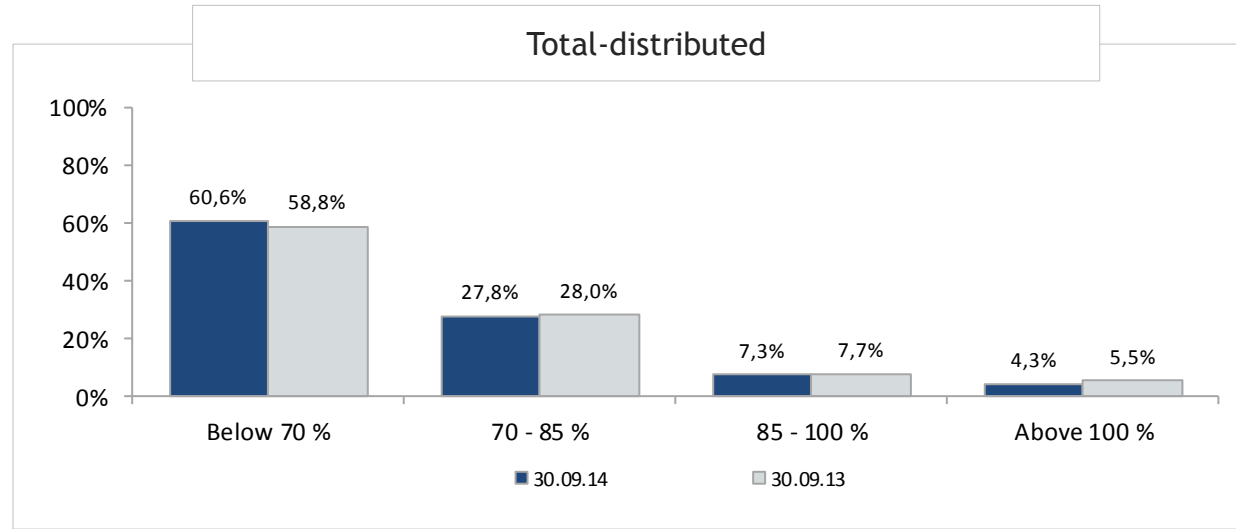
- *The quality of the retail market portfolio is considered very good and with low potential losses.*
- *The proportion of loans with a PD below 0.5% has increased to 76.8% of the total retail portfolio.*
- *The low risk profile of the portfolio is achieved through prudent customer selection and requirements for moderate LTV.*
- *Most of the portfolio is secured against a mortgage on real estate, and lending is overall moderate compared to asset value.*



Figures include the portfolio sold to the covered bond company.

Loan to value ratio on home mortgage loans (excl loans in cover pool)

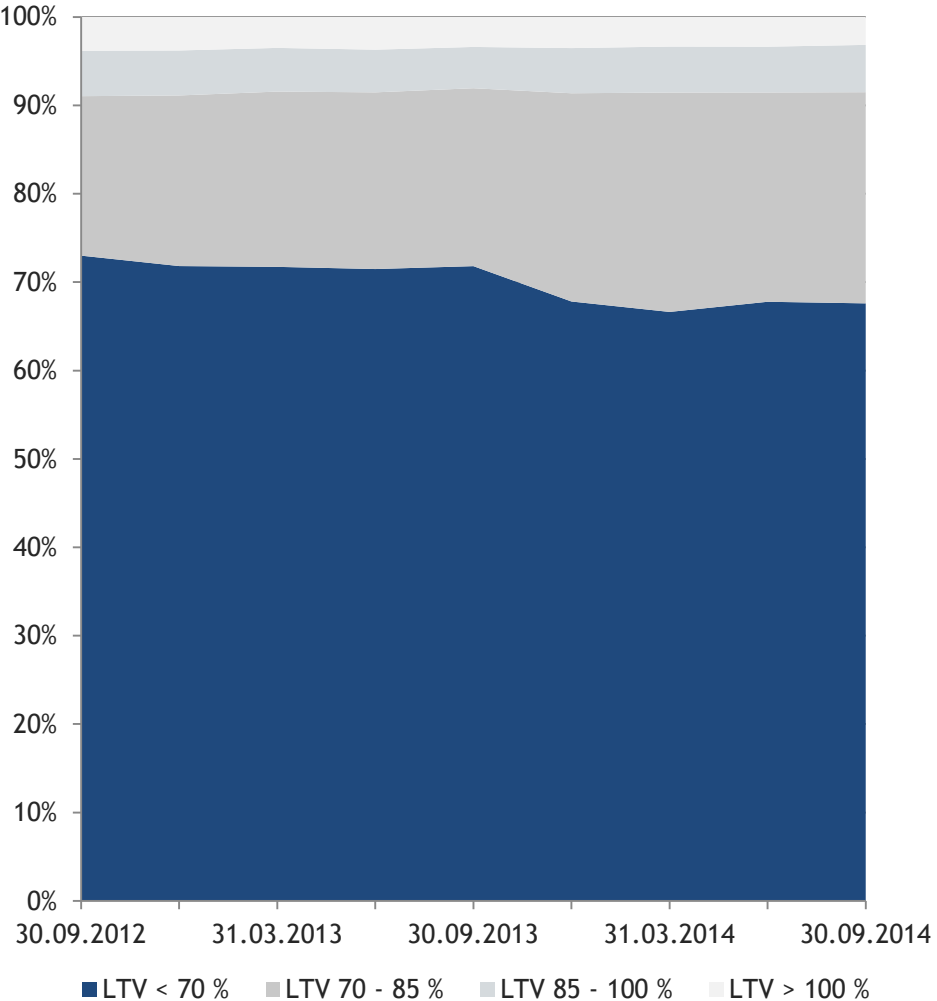
- *There is an increasing proportion of loans within 70% LTV as well within 85% LTV.*
- *97.5% of the exposure is within 85% of the collateral's value, and 2.5% of the exposure exceeds 85% of the collateral's value.*



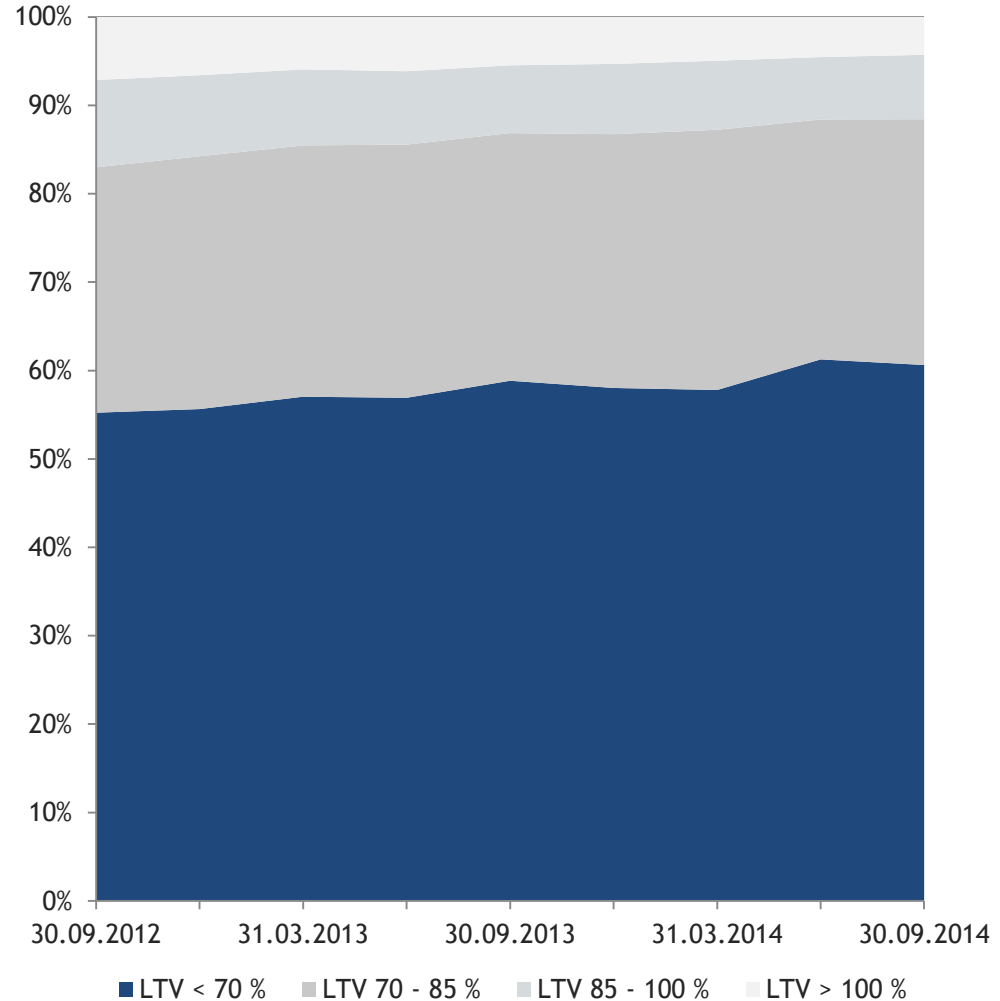
The calculation of the LTV is based on the collateral's market value. In a balance-distributed loan to value ratio, for loans that exceed 70% of the collateral's market value, the excess amount is distributed among the other intervals. In a total-distributed loan to value ratio, the entire loan is allocated to one and the same interval.

Historical LTV development for home mortgage loans

Total home mortgages incl. loans in cover pool

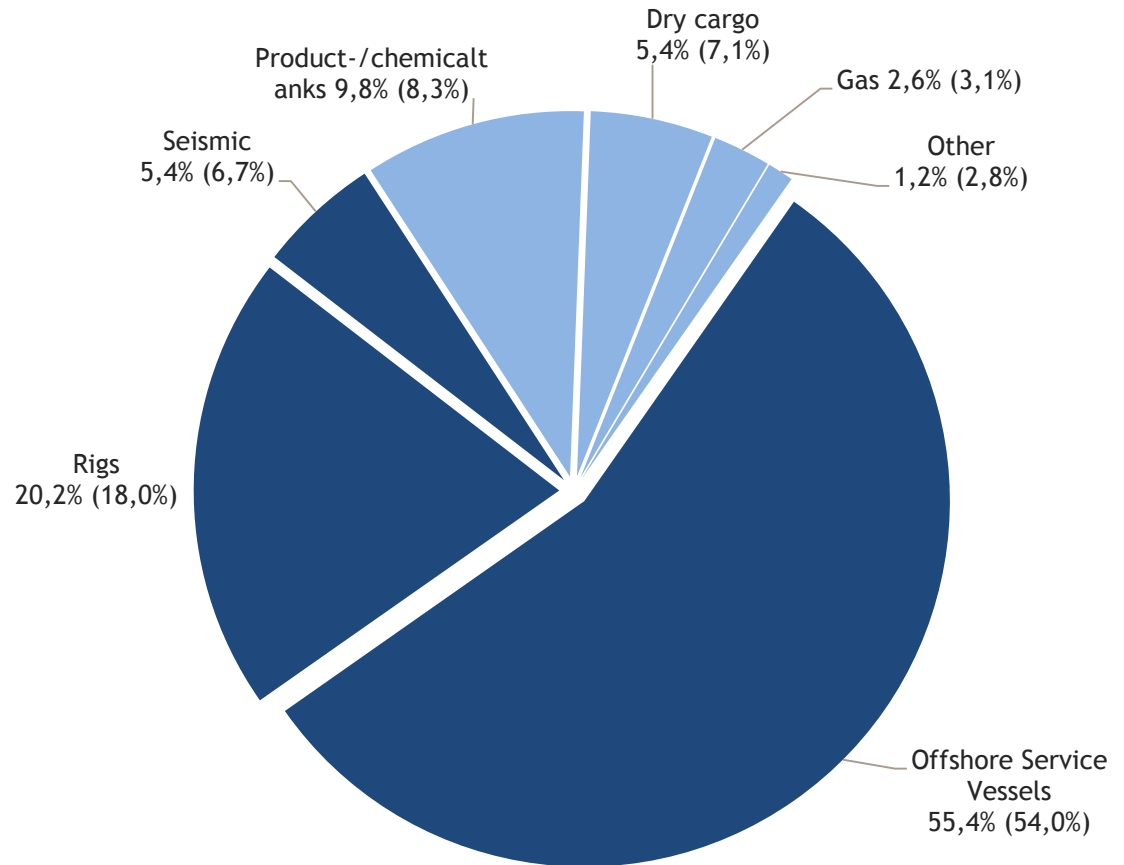


SpareBank 1 SR-Bank ASA



Low exposure to the shipping segment

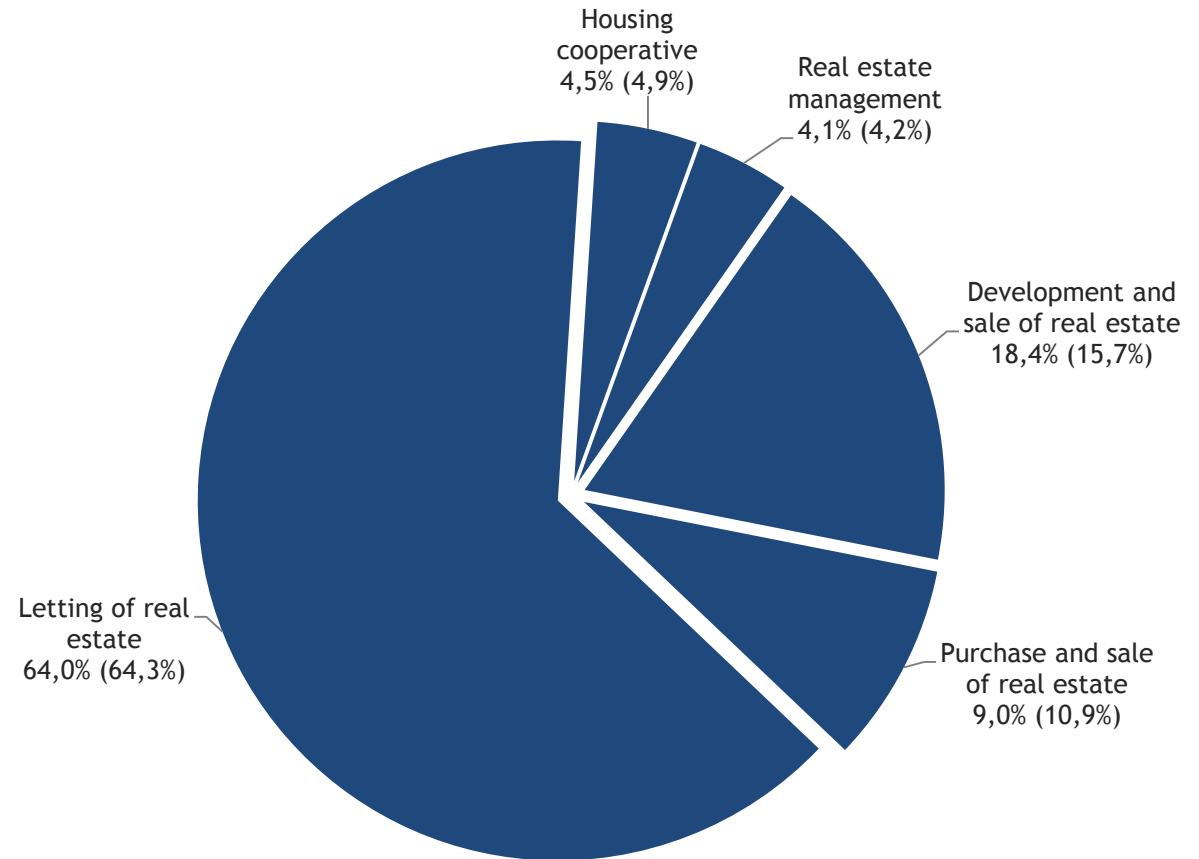
- Lending to conventional shipping is low and represents 1.4% of total loans
- Lending to the offshore sector represents 5.9% of total loans
- Lending, undrawn credit limits and guarantees to these sectors total NOK 12.3 billion.
 - 18.9% of the exposure is to conventional shipping
 - 81.1% of the exposure is to the offshore sector



Sector allocation in accordance with the standard categories from Statistics Norway. Figures as at 30.09.2013 in brackets.

Lending to commercial property

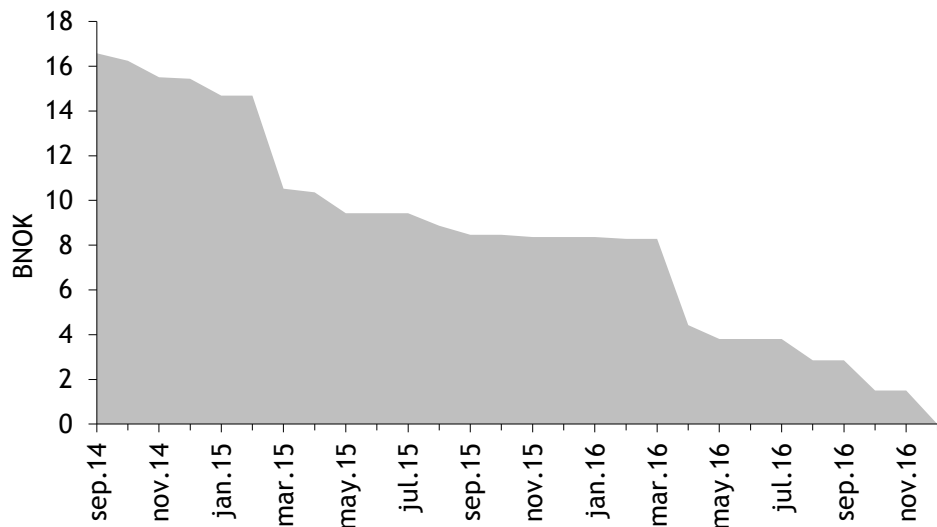
- *Lending to commercial property constitutes 15.9% of total loans, which is an increase of 0.4% compared with the same time last year.*
- *The portfolio is characterised by lending to commercial properties for leasing with long-term contracts and financially solid tenants. The vacancy rate is limited. Interest rates for a significant portion of this portfolio have been hedged.*



Sector allocation in accordance with the standard categories from Statistics Norway. Figures as at 30.09.2013 in brackets.

Liquidity portfolio

Liquidity buffer - survival period



- *Liquidity buffer at the end of the quarter: NOK 16.6 billion*
- *Other liquid assets:*
 - *Home mortgages prepared for transfer to mortgage company: NOK 26.1 billion*
 - *Commercial paper and bonds in the trading portfolio: NOK 0.4 billion*

Liquidity buffer: cash, short-term investments, highly liquid bonds (including drawing rights in Norges Bank).

Providing deposits and lending remain unchanged, with no new borrowing during the period.

Liquidity portfolio

Category	Market value, MNOK	Share %	Of which, securities classified to amortised cost, MNOK
Norwegian government/municipal	635	4 %	0
SSA/Foreign guaranteed	3.834	24 %	0
Covered bonds (Norwegian/foreign)	11.109	68 %	0
Norwegian bank/finance	616	4 %	0
Foreign bank/finance	0	0 %	0
Industry/Other	80	0 %	0
Total liquidity portfolio	16.275	100 %	0

Investments in bonds and certificates

- *Most of the bond portfolio is managed as part of the liquidity management activities. Bonds held for liquidity purposes are generally very low risk.*
- *No direct exposure to debt in EU peripheral countries.*

Risk category	Rating	Market value	Share
Very low risk	AAA, AA+, AA og AA-	15.600	93,5 %
Low risk	A+, A og A-	163	1,0 %
Moderate risk	BBB+, BBB og BBB-	543	3,3 %
High risk	BB+, BB og BB-	85	0,5 %
Very high risk	B+ and lower	292	1,7 %
Total portfolio		16.683	100,0 %

Of which liquidity purposes:

Risk category	Rating	Market value	Share
Very low risk	AAA, AA+, AA og AA-	15.600	95,9 %
Low risk	A+, A og A-	161	1,0 %
Moderate risk	BBB+, BBB og BBB-	514	3,2 %
High risk	BB+, BB og BB-	0	0,0 %
Very high risk	B+ and lower	0	0,0 %
Total liquidity purposes		16.275	100,0 %

Of which trading purposes:

Risk category	Rating	Market value	Share
Very low risk	AAA, AA+, AA og AA-	0	0,0 %
Low risk	A+, A og A-	2	0,5 %
Moderate risk	BBB+, BBB og BBB-	29	7,2 %
High risk	BB+, BB og BB-	85	20,8 %
Very high risk	B+ and lower	292	71,5 %
Total trading portfolio		408	100,0 %

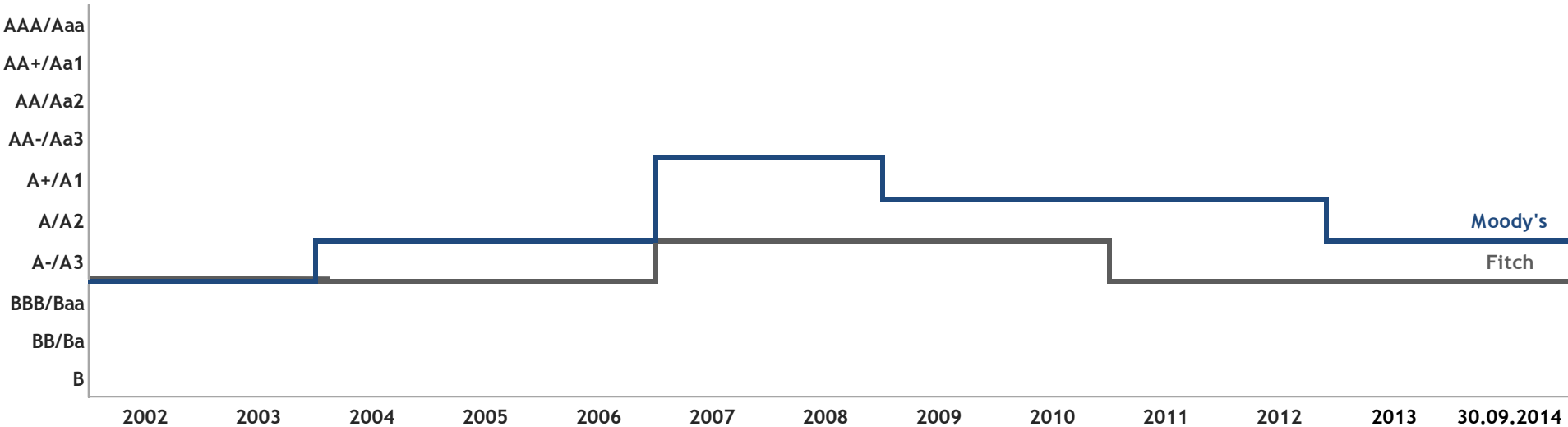
All amounts in MNOK.

Rating

Moody's	
Long-term debt	A2
Outlook	Negative
Updated	30 May 2014

Fitch	
Long-term IDR	A-
Outlook	Stable
Updated	9 April 2014

Ratinghistory



SRBANK as at 30 September 2014

- **Ownership interests:**
 - From Rogaland, Agder-counties and Hordaland: 48.6%
 - International: 23.1%
 - 10 largest: 57.7%
 - 20 largest: 64.7%
- **Number of shareholders: 10 621 (11 387)**
- **Employees owning 1.8%**
- **Trading volume in Q3 2014: 3.0% (3.1%)**

	30.09.14	2013	2012	2011	2010
Share price	61,00	60,25	37,20	40,70	57,00
Stock value (MNOK)	15.601	15.409	9.514	5.182	7.257
Book value per share, NOK (group)	59,21	55,00	49,48	48,75	47,45
Earnings per share	6,45	7,28	5,32	5,42	6,84
Dividend per share	n.a.	1,60	1,50	1,50	2,75
P/E	7,09	8,28	6,99	7,51	8,33
P/BV (group)	1,03	1,10	0,75	0,83	1,20

“The financial objective of SpareBank 1 SR-Bank ASA is to achieve earnings that yield adequate, stable returns on the bank’s equity, thereby creating value for owners through competitive returns in the form of dividends and share appreciation.

In determining the level of the annual dividend, considerations will be made towards SpareBank 1 SR-Bank ASA’s future need for capital, including capital adequacy requirements, and strategic plans and targets. Unless capital requirements otherwise dictate, the Board of Directors’ aim is that approximately half of the EPS is paid out.”

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